

Review Report 2013



A safe pair of hands...



GUMALA
Investments Pty Ltd



Gumala Investments Pty Ltd
as Trustee for The General Gumala Foundation

Third Review of the Foundation and Trust Deed



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Acknowledgements

The Review team acknowledges the input from the Beneficiaries across the Pilbara and Perth. The Beneficiaries appreciated the opportunity to ask questions of members of the Board of the Trustee and were provided with explanations of the structure and fundamental legal basis of the General Gumala Foundation Trust Deed. They were prepared to give thoughtful consideration and were clear in their understanding of the nature of the income utilisation allocations and what they believed were the most important areas where the funds of the Foundation should be allocated.

It was evident that the Beneficiaries were mindful that the overriding objective of the Gumala Foundation is to support and advance the current and future generations of the Niapaili, Bunjima and Innawonga people¹ of the Pilbara as the Traditional Owners of the Traditional Lands and the intended Beneficiaries of the Foundation.

The Beneficiaries on repeated occasions during the consultations displayed sensitivity to and understanding of the need for checks and balances in the roles under the General Gumala Foundation Trust Deed to protect the diverse and sometimes competing needs of the Beneficiaries, not least future generations.

The Trustee acknowledges the co-operation of the GAC Board during consultations arranged in the course of the review.

The Trustee thanks:

- Susan Kroening of the Professional Facilitators International for her tireless efforts and culturally sensitive and effective facilitation of the Beneficiaries' Consultation;
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 - Eyecue Design for layout and publication.

¹The Trustee acknowledges that there are various ways to spell the names of the three language groups. This report of the Third Review of the Foundation uses the spelling used in the Trust Deed of the General Gumala Foundation.

² Front Cover: Weano Gorge, Karijini National Park.
Photographer: Neal Prichard © 2013 Spool Photography



AGM	Annual General Meeting
Beneficiaries	Those persons who are Beneficiaries as defined in the General Gumala Foundation Trust Deed
CATSI	the Corporations (Aboriginal and Torres Strait Islander) Act (2006)
CEO	Chief Executive Officer
Chaney/Lennon Report	The report prepared by Messrs Lennon & Chaney (Also known as the Second Review of the Yandi Land Use Agreement)
EGM	Extraordinary General Meeting
DDR	Deductible Gift Recipient
Foundation	The trust established by the General Gumala Foundation Trust Deed (also, referred to as the General Gumala Foundation or the Gumala Foundation)
GAC	Gumala Aboriginal Corporation (also referred to as the Manager)
GEPL	Gumala Enterprises Pty Ltd
GIPL	Gumala Investments Pty Ltd (also referred to as the Trustee)
IUC	Income Utilisation Category as described in Clause 18 of the Trust Deed
KPI	Key Performance Indicator
ORIC	Office of the Registrar of Indigenous Corporations
PBI	Public Benevolent Institution
Rio Tinto	Rio Tinto Iron Ore (“RTIO”), includes Hamersley Iron Pty Ltd and Hamersley Iron – Yandi Pty Ltd
Parakeelya Report	The report prepared by Parakeelya in August 2008 (also known as the Second Review of the Foundation) and published as a First Draft for comment on 27 August 2008
TOEC	TOEAC Traditional Owner Elders Advisory Committee
Trust Deed	The trust deed of the General Gumala Foundation
YLU	Yandi Land Use Agreement (1997)



Introduction

Background to the Review

The Yandi Land Use Agreement (“Y LUA”) was the first regional land use agreement for a major resource project to be concluded after the Mabo decision¹. It was signed in March 1997 between Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto, and Gumala Aboriginal Corporation, representing the native title claimants of the land being the three Aboriginal Language Groups (Bunjima, Innawonga and Niapaili) covered by Hamersley’s Yandicoogina iron ore project.

The Y LUA sets out how much compensation is to be paid by Hamersley Iron (Rio Tinto) each year using a formula that includes the surface area disturbed, for the establishment of the Yandicoogina iron ore mine and associated activities (rail transport) to proceed on the land of the Traditional Owners. The General Gumala Foundation Trust Deed is Schedule 10 of the Y LUA. This Trust Deed sets out how that income and other benefits are to be managed and distributed to the Traditional Owners.

General Gumala Foundation: Overview

The General Gumala Foundation was established with Gumala Investments Pty Ltd (“GIPL”), incorporated under the *Corporations Act* as Trustee and the Manager is Gumala Aboriginal Corporation (“GAC”) (a corporation incorporated under the *Corporations (Aboriginal and Torres Strait Islander) 2006 Act*).^{2,3}

The roles of the Trustee and Manager are set out in the Trust Deed. In summary the Trustee has a central and supervisory role, the Manager has responsibility for the day to day management of the Trust and there is a system of checks and balances between the Trustee and the Manager having regard to the wide range of Beneficiaries and their diverse needs. The Beneficiaries of the Trust are the persons who are under Aboriginal Tradition the Traditional Owners or custodians of the Traditional Lands including future generations, and any Deemed Traditional Owners.

The Trust Deed is based on the principle that not only are the Beneficiaries to be advantaged during the term of the Trust by direct benefits of the Trust Fund but also that:

- the Beneficiaries gain expertise in management of the Trust with a view over time to increasing their input into managing the Trust and thereby benefitting from the acquisition of such expertise; and
- the Beneficiaries in participating in the management of the Trust work towards self-determination and, thereby avoid as far as practicable the disadvantage of dependence that might otherwise be the occasioned as a result of access to substantial funds in a trust administered by a third party.
- the independence of the Trustee from the Manager and from the Traditional Owners is a fundamental feature of the Trust.

The intention is that the Traditional Owners receive benefits in a fair way through programs or activities such as investments, culture and lore, community development, business development and education. Except for small cash payments, the Manager and Trustee have ensured, in accordance with the legal requirements of the General Gumala Foundation Trust Deed, that payments of cash to individuals have been limited.

Review of the Foundation Required Every Five Years

The General Gumala Foundation Trust Deed provides that each five years the Trustee will “*convene and hold a Review of the operation of the Foundation and this Deed.*”⁴ In addition,

“*At the completion of the Review, the Trustee will prepare and provide to the Manager...a report setting out:*

- *the results of the Review;*
- *recommendations for the better administration of the Foundation having regard to the results of the Review; and*
- *where appropriate, recommendations regarding amendments to this Deed which the Trustee may consider appropriate having regard to the results of the Review.*”⁵

This report covers the findings of the **Third Review of the Foundation**.

¹Mabo v Queensland (No.2) [1992] HCA23; 175 CLR

²GIPL is now registered under the Corporations Act (Clth). Unlike GAC, GIPL is established for the sole purpose of serving as Trustee of the General Gumala Foundation (and Elderly and Infirm Foundation).

³GIPL is also the trustee of the Gumala Elders and Infirm Foundation which was also established under the Y LUA. GAC is also the Manager of the Elders and Infirm Foundation. It was recorded in the Parakeelya Report as having the life of five years and no longer existing. This apparently was the widely held belief at the time. However, a bank account with approximately \$350,000 was located by GIPL in 2012 and sourced to the Gumala Elders and Infirm Foundation. It is noted here and GIPL as Trustee of the Gumala Elders and Infirm Foundation, in consultation with the Manager, is attending to the proper allocation of those funds and the formal winding up of that Trust.

The **First Review of the Foundation** was conducted in 2002, commissioned in May 2002 and report in December 2002.

The **Second Review of the Foundation** was conducted in 2008 and, after Court actions and further reports, led to an extensive proposal for the Restructure of the Foundation, the terms of which were agreed between GIPL, GAC and Rio Tinto and included:

- the re-introduction of an Advisory Trustee; and
- GAC accepting the obligations of the Trustee as well as Manager; and
- GAC agreeing that within one year its only activity would be that of the Trustee with the obligations of manager.

A series of joint consultations with Beneficiaries was held throughout the Pilbara to explain the new proposed structure. However, at a joint EGM held in Tom Price on 25 June 2011 the proposal failed to pass because it required 75% of the Beneficiaries present to vote in favour of the restructure and this did not occur.

Accordingly, from that time GIPL and GAC have worked co-operatively in order to secure the delivery of appropriate benefits to the Beneficiaries and to engage in capacity building, mainly for Beneficiaries who are decision makers, and to support the understanding of Beneficiaries of the structure and operation of the Foundation i.e. the respective roles of Manager and Trustee: refer **Reference Timeline** which provides an overview of the Trustee's activities during the Review Period. The Trustee has extended the Review Period beyond the 5 years required in the Trust Deed in order to properly and accurately record the current position of the General Gumala Foundation. This decision has enabled the Trustee to "look forward" and assess future directions from a true position.

This **Third Review of the Foundation** has focused on the Trust Deed and the business of the Foundation and was undertaken to identify whether implementation of detailed policies and procedures in respect of the governance obligations of the Trustee has resulted in the more effective functioning of the General Gumala Foundation.

In order to meet the Terms of Reference, the Review considered the following aspects of the governance of the Foundation:

- the procedures required to ensure services and resources are delivered in a manner that reflects the diverse requirements of the Beneficiaries;
- the focus of the Trustee on opportunities for active participation of all Beneficiaries in the Foundation affairs in order to provide capacity building outcomes, particularly for those Beneficiaries in decision making roles; and
- the concerted effort by the Trustee to engage in and manage a direct relationship between the Foundation and Beneficiaries.

The factors taken into account by the Trustee when it decided not to engage an external reviewer, i.e. Parakeelya, or a similar entity:

- There was a clear indication captured in the recommendations of the Parakeelya and Chaney/Lennon Reports that direct contact with the Beneficiaries and a structured consultative process was the most appropriate way for the Trustee to proceed. The Trustee had received immediate positive feedback with respect to the appreciation of direct engagement by the Trustee in the consultations held with the Beneficiaries prior to the 25 June 2011 meeting and the AGM.
- The extent of Foundation funds spent on external reviews in preparation for the implementation for the restructure proposal that did not proceed.
- The Trustee acceptance of the recommendations of the external reviewers (e.g. PWC, Mercers) which were made in preparation of the 2011 Restructure Proposal. These reports in turn highlighted recommendations from Parakeelya in respect of governance arrangements of the Foundation. These formed the basis for the implementation of the Good Governance Reform Program (refer Section 5B).
- The evolving levels of collaboration with which GAC and GIPL have conducted the operation of the Foundation since 25 June 2011.

The Trustee considered that consultation with the Beneficiaries was an essential part of the Third Review in order to clarify the roles of GIPL (Trustee) and GAC (Manager) and to hear at first hand from the Beneficiaries their requirements and expectations with respect to the governance of the Foundation and the distribution of the Foundation funds between the Income Utilisation Categories listed in *Clause 8* of the Trust Deed.

The Trustee wanted to ensure that the Beneficiaries were appropriately informed of the new governance arrangements that had been implemented by the Trustee. Therefore, the Trustee saw the direct consultation process as a unique opportunity for capacity building for Beneficiaries, generally, regarding the governance arrangements for the Foundation and for it to be able to accurately determine the concerns of the Beneficiaries.

⁴ Trust Deed of the General Gumala Foundation, clause 33.1.

⁵ Clause 33.2.

Governance Reform

The 2011 Restructure Proposal was rejected by Beneficiaries, however, as a result of the Due Diligence conducted at that time, a series of procedural and governance policies and Committee Charters have been implemented (refer Section 5B of this Report). Listed below are the significant measures taken by the Trustee to improve compliance with the Trust Deed detailed in this Report:

- Governance Reforms at both Trustee and Manager Boards in order to ensure that the administration of the Foundation is in accordance with the requirements of the Trust Deed including:
 - Foundation wide Policies and Procedures; and
 - Establishing Board Committees and Board and Committee Charters
- Establishing an annual Foundation Budget aligned with Trust Deed including:
 - a three year Budgeting Agreement with GAC; and
 - agreed forecasting methodology
- Improved management of investments including:
 - establishing a Joint Investments Committee; and
 - Securing a commercial investment building to provide joint and amenable accommodation for Trustee and Manager in the Perth CBD
- Appointment of the same Internal Auditor and Auditor by Trustee and Manager
- More active, direct consultation with Beneficiaries
- Review of Programs and Projects and Current policies for the provision of benefits to the Beneficiaries:
 - Increase in Manager capability to deliver programs and projects
 - Ensure that programs and program funding are properly allocated to Income Utilisation Categories
- Review of Register of Traditional Owners including establishing Traditional Owner Elders Advisory Committee and appointment of anthropologist.
 - This is the first time there is a record of children who are Beneficiaries
- Review of Financial Management and Sustainability
- Payment of reasonable expenses of Beneficiaries who attend consultation meetings, in accordance with the Trust Deed
- Review of Karijini Eco Retreat
- Review of Gumala Enterprises Pty Ltd

Current Programs and Benefits

In the report of the **Second Review of the Foundation** (Parakeelya) it is recorded that at the time, late 2008, the total number of adult Beneficiaries in the Foundation stood at 742. The number of adult Beneficiaries recorded at 25 June 2011 was 1208. This represents an increase of 62% in the space of three years and indicates the significant increase in the demands upon the Foundation in terms of Program service offerings, administration costs and budget constraints. Between 2007 and 2012 the number and range of Programs and Projects offered by the Foundation have increased markedly.

In 2008 a total of 17 Programs were offered but currently in the Report year 49 Programs are now offered. It is noteworthy that now the Programs are distributed more coherently across the Income Utilisation Categories from the Trust Deed. This creates budget planning, allocation and acquittal better compliant to the Trust Deed and the long term sustainability requirements for the Foundation. This has been assisted by the amendment to the Trust Deed in November 2011 which was initiated by the Trustee which introduced the Income Utilisation Category of "Health and Wellbeing".

An independent Review of Programs and Projects implemented jointly by the Manager and the Trustee, concluded that over time the Manager demonstrated year by year, improvements in terms of effectiveness, efficiency and value for money and this was based on information which indicated a faster rate of growth in disbursements to or for Beneficiaries than increases in the service delivery and administrative payroll costs.

This Report records the process implemented with respect to the review of the Register of Traditional Owners, which was conducted for the first time ever by the Trustee. This is the first time there is a record of the children who are Beneficiaries of the Foundation which is important considering the financial management and long term sustainability which now must be addressed as a permanent feature of the operations of the Foundation by both the Trustee and the Manager (refer Section 5C).

The Trustee wishes to formulate a Strategic Plan for the Foundation together with the Manager which will include consideration of the requirements of the Trust Deed, the scale and complexity of GAC including its multiplicity of locations and the changing regulatory requirements placed on it and other issues detailed in this report.

Invitations to Provide Input to the Third Review of the Foundation

The Trustee invited Rio Tinto and GAC, the Manager to provide written submissions to the Review. Although advised by representatives of Rio Tinto that they would be providing written submissions, the submissions did not arrive. GAC has provided oral submissions at Consultation Meetings held on 15 October 2012 and 31 July 2013 and will be formally consulted in accordance with the Trust Deed after being provided with a copy of the final report.

Third Review of the Yandi Land Use Agreement

The Yandi Land Use Agreement is also subject to Review each 5 years and the terms of reference for a Review to be conducted in 2013 were provided to GIPL by letter dated 21 May 2013. The Report of this Review of the Foundation and Trust Deed has been submitted as part of the GIPL submission to the YLUA Review.





Reference Timeline

Period of Third Review		March 2007 to March 2013 refer Introduction (extended from February 2012)
Second Review of Foundation		March 2002 to February 2007
First Review of Foundation		March 1997 to February 2002
Important Dates	Legal actions including an action for the winding-up of GIPL by GAC; turbulent time between GAC and GIPL: reflected in Parakeelya Report	2007
	Date of Settlement of Federal Court Action, Undertaking (No WAD 101 of 2007)	9 March 2008
	Second Review of Foundation <ul style="list-style-type: none"> • Parakeelya Report • Report Date: First Draft 	27 August 2008
	Endorsement of DGR Status	1 July 2009
	Reports of the Examinations by the Office of the Registrar of Indigenous Corporations of GAC, GIPL, GEPL and Gumala Tourism (ORIC Reports)	August 2009
	Second Review of Yandi Land Use Agreement (Chaney Lennon Report)	3 December 2009
	Acquisition of land in South Hedland (DOH)	Mid 2010
	Implementation Working Group – established by a Deed of Agreement between Rio Tinto, GIPL and GAC. Mr A Collett appointed as consultant for implementation process of the Recommendations of the Parakeelya Report and ORIC Reports.	July to December 2010
	Implementation Report: Collett	23 December 2010
	Joint meetings GAC and GIPL seeking “way forward” for Foundation; culminating in an agreement to propose a restructure of the Foundation with a single entity having the functions of both Manager and Trustee, and the reintroduction of an Advisory Trustee	February 2011
	Acquisition of land in Tom Price	February 2011
	Agreement on timeline for a Restructure of the Foundation (2011 Restructure)	25 March 2011
	Negotiations on the legal form of 2011 Restructure	Early April 2011 through May 2011
	Agreement between GAC and GIPL to appoint PwC to provide “overarching” due diligence report of Foundation and all connected and related entities.	2 April 2011 Mid April to end May 2011

Important Dates		
	Appointment of legal advisers to Trustee re 2011 Restructure (Trust and Taxation Law advice)	12 May 2011
	General meeting of Beneficiaries: 2011 Restructure Proposal rejected • EGM Accepted as clear message from Beneficiaries that the Foundation to concentrate on core issues	25 June 2011
	Obtained forecast re Future Funding from Rio Tinto Iron Ore ("Rio Tinto")	July 2011
	Review GST allocation and charging procedures between GAC & GIPL	July 2011
	Commenced process of drafting, in conjunction with GAC, a GAC procedure manual in respect of GST Treatment of transactions between GAC & GIPL (finalised in February 2012)	July 2011
	Commence the first ever Review of the Register of Traditional Owners; sourcing advice from anthropologists regarding structure and process. Creation of Beneficiary Database: which records children for first time in Foundation history Establishment of Traditional Owner Elders Advisory Committee	August 2011 - Continuing October 2012
	Premises at Adelaide Terrace acquired as asset of Foundation used by GIPL & GAC •Independent Valuations •Building Reports	November 2011 to February 2012 Purchase Occupation June 2012 Official Opening 15 October 2012
	Agreement for the funding of Tom Price Elderly Complex for Beneficiaries	2011
	Opening of Early Childhood Learning Centre at Wakuthuni	2011
	Implement First Joint Director Training re AICD – GAC, GIPL & GEPL including all Independent and Indigenous Directors	November 2011
	Establishment of Committee Procedures and separate Charter, see Pg. 10 & 11 of 2012 Annual Report	November 2011 and continuing
	Preparation of Good Governance Charter, Investment Policy and Procedures and other GGF Policies and Supporting Procedures	December 2011 and continuing
	Agreed and Implemented a 3 year "rolling budget" from July 2011 with GAC in order to ensure funding certainty for Manager	December 2011
	Karijini Eco Retreat: Extensive meetings and reports leading to agreement from Trustee to support requirements relating to Department of Environment Conservation Lease	March 2010 February 2011 July 2012
	GIPL appointed the same External Auditor as GAC	December 2011

Important Dates		
Amendment to IUC in Trust Deed decreasing Business Development from 20% to 10% and introducing new category Health and Wellbeing at 10%		AGM December 2011
Consolidated Deed for the General Gumala Foundation		13 February 2012
South Hedland Housing Proposal. Commencement of the process of design and build for Beneficiary Housing		Tender - February 2012 Design Contract with Fleetwood - November 2012 (ongoing)
The same Internal Auditors appointed for GIPL and GAC		May 2012
Consultation GIPL (Trustee) and Beneficiaries Re Review of Foundation		May 2012 to December 2012
Funded reviews of current programs and financial management and sustainability (BDO)		May to October 2012
Assistance provided to Manager to assist in responding to ORIC investigation		March 2012
Reactivated Joint Investments Committee		July 2012
Review of IT configuration and support in order to enhance performance of obligations under the Trust Deed for the Manager and Trustee		September 2012 and continuing
GIPL Website		December 2012
Further Restructure Proposal from Manager. (2012 Restructure Proposal) Restructure discussions Trustee and Manager. Barrister's opinion on scope for restructure under 2012 Restructure Proposal		Late November 2012 February to April 2013 March 2013 - received April 2013
Traditional Owner Register settled and reopened to record new applications		1 March 2013

Implementation Milestones**Trustee****Manager**

- | | |
|--|---|
| <ul style="list-style-type: none"> • PwC Report (financial) • PwC Report (Good Governance Charter) • TOEAC for Review of Register • MERCERS Appointment <ul style="list-style-type: none"> • Review of salaries and directors' remuneration – August 2011 • Assisted with appointment process for Executive Officer of Foundation • Funded remuneration review of Directors of GAC • Funded Review of GAC Executive Management Structure • GAC GST Procedures Manual | <ul style="list-style-type: none"> • Rewritten Member Services Program guidelines (June 2012) including acknowledgement that benefits are provided to Beneficiaries of the General Gumala Foundation through the Manager, GAC • Implementation of training re GAC procedures manual for transactions between GAC & GIPL – a joint arrangement |
|--|---|



TRUSTEE COMMENTS ON THE RECOMMENDATIONS MADE IN THE REPORT OF THE SECOND REVIEW OF THE YANDI LAND USE AGREEMENT MADE BY MESSRS CHANEY AND LENNON

[TRUSTEE COMMENTS IN ITALICS]

Recommendation 1

That Rio Tinto and Gumala reinstate the Advisory Trustee Company with the same composition and powers as provided for in clause 15 of the deed.

- *RESTRUCTURE PROPOSED WHICH INCLUDED REINSTATEMENT OF AN ADVISORY TRUSTEE COMPANY WAS REJECTED BY BENEFICIARIES AT MEETING OF 25 JUNE 2011. (2011 RESTRUCTURE PROPOSAL)*

Recommendation 2

That Gumala take all necessary action to restore the fractured relationship between GAC and GIPL including cooperating with the process proposed and assisted by the Registrar of Indigenous Corporations to deal with the structural/technical problems which contribute to the present state of the relationship between GAC and GIPL including making such changes to the trust deed as would:

- remove the potential for conflicts of interest to arise within and between Gumala entities;
- enable the general membership of Gumala to directly appoint the trustees representing the 3 language groups on GIPL rather than delegating this power to GAC as presently happens; and
- prevent individuals from being a director of more than one Gumala entity concurrently.

Furthermore, as recently proposed by the CEO of GAC who has agreed to step aside from all positions he holds within Gumala by no later than 30th June 2010 both the CEO of GAC, Steve Mav, and the CEO of GIPL, Geoff Harris, should be replaced as a necessary step in restoring the relationship.

- *MR HARRIS DEPARTED GIPL.*
- *THE 2011 RESTRUCTURE PROPOSAL WAS REJECTED BY BENEFICIARIES.*
- *HOWEVER, AS A RESULT OF DUE DILIGENCE CONDUCTED, A SERIES OF PROCEDURAL AND GOVERNANCE POLICIES AND COMMITTEE CHARTERS HAVE BEEN IMPLEMENTED (SEE FINAL REPORT OF THIRD REVIEW OF THE FOUNDATION).*
- *AS A RESULT OF THE CONSULTATION PROCESS WITH BENEFICIARIES CONDUCTED IN THE "LEAD UP" TO THE VOTING ON THE 2011 RESTRUCTURE PROPOSAL, THE TRUSTEE (GIPL) PROPOSED CHANGES TO THE TRUST DEED TO INTRODUCE A NEW INCOME UTILISATION CATEGORY: HEALTH AND WELLBEING. THE BENEFICIARIES VOTED IN FAVOUR OF THIS CHANGE ACCEPTING THAT IT REQUIRED A REDUCTION IN THE BUSINESS SUPPORT IUC OF 10% IN ORDER TO BE FUNDED.*
- *GIPL AND GAC HAVE ENDEAVOURED TO WORK CO-OPERATIVELY SINCE MARCH 2011*

Recommendation 3

That Gumala take further steps to strengthen its governance capacity by:

- ensuring directors maintain policy control over all Gumala entities ;
- developing a strategic plan for Gumala that provides clear direction to and is committed to by both GAC, GIPL, and all other Gumala entities;
- ensuring that all board members receive ongoing governance training about their director responsibilities including:
 - their obligation to act in the best interest of all beneficiaries;
 - advice on how to manage conflicts of interest;
 - meeting procedure; and
- *IMPLEMENTED BY GIPL IN COLLABORATION WITH GAC*

This needs to be an ongoing process to make sure that the inevitable turnover of directors does not lessen the governance capacity of any of the Gumala entities.

- *IMPLEMENTED - ONGOING PROCESS*

In addition directors should receive ongoing support from senior staff within the relevant Gumala entities to ensure the timely delivery of agendas and board papers before meetings, to ensure that at all meeting the rules are clearly understood and available to all directors each meeting and that the appropriate technical advice is available to directors at these meetings.

- *SUPPORT PROVIDED TO DIRECTORS*
- *GIPL HAVE ENSURED THAT GAC HAVE THE FUNDING TO EMPLOY SENIOR STAFF THAT ARE APPROPRIATELY QUALIFIED TO SUPPORT DIRECTORS.*

Recommendation 4

Gumala should prepare a timetable for the early development of a strategic plan which clarifies what it is trying to achieve for the beneficiaries through the Yandi agreement. This plan should be developed with the involvement of all the Gumala entities including GIPL and be subject to final approval by the members at a special general meeting.

The strategic plan should contain clear statements about what it is trying to achieve in each of the areas being addressed so that it can measure progress against its objectives. A report on progress should be made annually to the Monitoring and Liaison Committee and to the members at the AGM.

The clarifying of Gumala's objectives would both guide future decision-making and improve understanding within the membership of what can be expected as outcomes from the foundation. This will reduce the likelihood of future conflict.

- *STRATEGIC PLAN-PENDING*
- *AS A FIRST STEP INDIVIDUAL STRATEGIC PLANS FOR BOTH TRUSTEE AND MANAGER WERE DEVELOPED AND IMPLEMENTED*

Recommendation 5

Noting that Gumala already informs members through meetings, newsletters and its radio station, careful attention should be paid to keeping members informed generally as well as with respect to the implementation of the recommendations of this review, the Parakeelya review, and the examination of the Gumala entities by ORIC.

- *GIPL IMPLEMENTATION WITH RESPECT TO INFORMATION TO BENEFICIARIES PROVIDED THROUGH ANNUAL REPORTS, WEBSITE (INCLUDES FAQ SECTION) AND INCREASED CONSULTATION*

Recommendation 6

Gumala should ensure that there is greater clarity about what is administrative expenditure and what is grant and program expenditure within the various categories established by the Trust Deed and other areas of expenditure such as Health and Wellbeing.

- *GIPL & GAC IMPLEMENTED IMPROVED FINANCIAL REPORTING- ONGOING*

Recommendation 7

The issue of whether there should be separate budgets for the three language groups should be considered in the context of the development of the strategic plan. It is not recommended that there should be a formal separation of three language groups but that as far as possible future expenditures should reflect a fair distribution amongst the groups and take account of individual language group priorities.

- *AN OVERARCHING STRATEGIC PLAN FOR THE FOUNDATION IS TO BE DEVELOPED COLLABORATIVELY*

Recommendation 8

Membership determination processes should be examined by Gumala to see whether the spirit and intent of the Yandi Agreement and the Trust Deed to benefit traditional owners are being met.

- *GIPL IS CONDUCTING A REVIEW OF REGISTER OF TRADITIONAL OWNERS IN COMPLIANCE WITH ITS OBLIGATIONS UNDER THE TRUST DEED.*
- *THIS IS THE FIRST REVIEW THAT RECORDS CHILDREN, WHICH WILL PROVIDE INFORMATION REQUIRED TO FORMULATE AN EFFECTIVE STRATEGIC PLAN FOR THE FOUNDATION*

Recommendation 9

The Monitoring and Liaison Committee should develop an agenda for engagement with potential funding bodies both government and non-government which have responsibility for or are engaged in activities which could assist the social and economic development of Gumala and its beneficiaries with a view to leveraging external funds. Priority should be given to seeking to obtain funding in areas of shared social and community development priorities and concern.

The Anindilykwa Land Council Regional Partnership is an excellent example of how this might be done.

There are numerous government and non-government agencies and organisations focusing on all of the categories of expenditure mandated by the Trust Deed and partnerships with such bodies will enable substantially greater benefits to be achieved in a range of areas including, employment and training, housing, aged care, health and education.

- *A MAJOR ITEM UNDER DISCUSSION WITH GAC AND GIPL IS THE ACCESSING OF ALTERNATIVE REVENUE SOURCES.*

Recommendation 10

Gumala, with the assistance of Rio Tinto, should investigate whether part of the 40% of the available income required to be invested by the Trustee, after consultation with the manager, in medium to long term investments to protect the interest of future generations of Traditional Owners could, consistent with that requirement, be invested in ways which will enhance the social and economic circumstances of the current members.

- *LAND AND PROPERTY PURCHASED*
- *ONGOING CONSIDERATION.*

An example of this could be investment in an aged persons housing complex in conjunction with government funding agencies under arrangements which ensure that the capital value of the investment by Gumala will be maintained.

- *FUNDING ALLOCATED PENDING FURTHER DEVELOPMENTS.*

Another example might be a joint-venture with a bank or government authority which invests in housing or other facilities in a way which would meet the requirement for a long-term prudent investment by Gumala for the benefit of this and future generations.

Recommendation 11

That Gumala engage the assistance of Rio Tinto to review the economic development activities of GAC including; the Eco Tourism Resort at Karajini National Park, GEPL, and the catering contract partnership with Compass to determine whether they are viable in the long term and capable of increasing the resources of Gumala and to ensure that they have appropriate management and business plans.

- *REVIEWED*

Recommendation 12

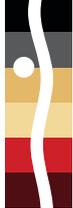
That GAC and GIPL as a matter of urgency develop an agreed plan to implement the relevant recommendations of the Parakeelya report including the establishment of timelines.

- *IMPLEMENTED*

Recommendation 13

That the Monitoring and Liaison Committee put in place agreed arrangements to oversee the timely implementation of the recommendations contained in this report.

- *GIPL NOTES THAT IT HAS A LIMITED ENGAGEMENT WITH THE MONITORING AND LIAISON COMMITTEE (REFER TO CLAUSE 9 OF THE GENERAL GUMALA FOUNDATION TRUST DEED)*



TRUSTEE COMMENTS ON KEY RECOMMENDATIONS FROM PARAKEELYA REPORT

(refer pages 5 to 9 of that Report)

- *TRUSTEE COMMENT IN ITALICS*
- TRUST DEED means the General Gumala Foundation Trust Deed
- TO is an abbreviation used in the Parakeelya Report. It means Traditional Owner as defined in the Trust Deed

STRUCTURE

Foundation Structure – That the Foundation look critically at current governance and delivery arrangements and engage in a process to put in place a better structure, drawing, as appropriate, on more recent experience in other comparable bodies. The revised structure should:

- a) Be unambiguous on governance and executive roles;
- b) Involve and support TOs to the fullest extent possible in governance roles and the design and execution of programs.
- c) Remove to the fullest extent possible all duplication of administrative function and duality in governance responsibilities.

The Review report suggests some high level structural options for consideration.

- *IMPLEMENTATION OF REVISED STRUCTURE WHICH REINSTATED AN ADVISORY TRUSTEE REJECTED BY BENEFICIARIES ON 25 JUNE 2011.*

Recruitment and employment of the Executive Officer – that the Trust Deed be amended to eliminate the duality in the current arrangements for employment of the Executive Officer by adoption of new arrangements which conform to the classic, best practice model, i.e.:

- a) ONE body, the governing body, recruits, appoints, monitors and evaluates the performance of the Executive Officer; and
- b) the same body rewards the EO for his performance against agreed performance indicators, or terminates the employment if performance is unsatisfactory.

- *IMPLEMENTATION OF REVISED STRUCTURE REJECTED BY BENEFICIARIES ON 25 JUNE 2011.*

Capacity of the Current structure to deliver the full range of benefits – PBI Status –

- a) That a full analysis of the advantages and disadvantages of maintaining PBI status of the Foundation form part of the Implementation Plan for this 2nd Review.
- b) If a Public Benevolent Institution (PBI) structure is maintained,
 - That a fixed annual entitlement is held by the Foundation Manager for each adult Beneficiary or each family unit, and that it is drawn down for PBI compliant expenditure.
 - That residual balances be allowed to accumulate in the name of individual Beneficiaries with access to balances being the subject of legal and taxation advice.

- *PBI STATUS TO BE MAINTAINED – REQUIREMENT EMBEDDED IN TRUST DEED CLAUSE 26.3.*

Council of Elders – That a Council of Elders be established comprising three representatives from each language group, drawing upon anthropological advice if required.

- a) That establishing terms of reference and criteria for the selection of Elders form part of the Implementation Plan for this 2nd Review.
- b) That establishing a set of protocols and procedures for additions, maintenance and updating of the Register of Beneficiaries includes reference to the Council of Elders and forms part of the Implementation Plan for this 2nd Review.

- *TRADITIONAL OWNER ELDERS ADVISORY COMMITTEE ESTABLISHED OCTOBER 2012.*

Dispute resolution – That the Advisory Trustee provided for under the Trust Deed be revived and expanded, and its terms of reference refined appropriately, so as to provide an appropriate and effective dispute resolution mechanism to minimise the likelihood of use of Trust Funds for litigation.

- a) As a further measure to avoid resources being wasted on mediation, arbitration and litigation, consultations be held with Traditional Owner Elders and anthropologists, to see whether a more traditional dispute resolution mechanism, in accordance with Aboriginal decision making processes and dispute resolution processes, might be identified and written into the Trust Deed.

- *THE REINSTATEMENT OF THE ADVISORY TRUSTEE NOT SUPPORTED BY BENEFICIARIES – 25 JUNE 2011.*

INCOME CATEGORIES AND BENEFITS

Business Development – That the business assistance scheme be further developed under the Implementation Plan for this 2nd Review. The business assistance scheme should work to support TOs who have shown diligence, initiative and commitment to the business idea.

Scholarships – That the opportunity to work with existing scholarship schemes be assessed as part of the Implementation Plan for this 2nd Review. The scope of the scheme should be widened, to include support for children at school in the Pilbara and to cover tertiary and vocational training.

Investment income – That professional analysis be commissioned to examine the full financial performance of the Foundation and to forecast income from mining activity and the projected level of funding which will be required to maintain current purchasing power for the Foundation. In the light of this analysis, determine if the percentage of the funds for the Investment Income category (40%) can be responsibly reduced to increase funds for contemporary activities.

Education and Training – That the proportion of the Foundation's available income for Education and Training be increased from 10% to 20%.

Community Development – That the percentages allocated to Community Development and Business Development remain at 20% but that a stronger effort is made to achieve the percentages.

Unexpended Income – That Income Categories of Education and Training and Community Development, if not expended in any financial year, be invested and available for use under that category in future years.

- *THREE YEAR FUNDING AGREEMENT REACHED BETWEEN GAC AND GIPL*
- *% ALLOCATION TO IUC REVIEWED BY BENEFICIARIES IN 2011 AND 2012.*
- *GIPL INCLUDED IUC FOR HEALTH & WELLBEING IN 2011.*

Cash Payments – That professional advice be sought on the extent to which the current Trust Deed is capable of supporting the Beneficiaries' desire that at least some of the benefit are available in cash or cash equivalents. In the light of this examination, consult as appropriate and put in place arrangements to deliver benefits which reflect the needs and aspirations of Tos.

- *CASH PAYMENTS – ONLY AVAILABLE IN LIMITED CIRCUMSTANCES UNDER TRUST DEED WHEN AGREED BY THE TRUSTEE AND MANAGER: CLAUSE 11 TRUST DEED. OPERATION IMPROVEMENTS*

Register of Beneficiaries – that the Foundation Manager maintains the Register of Beneficiaries and provide monthly updates to the Trustee, thus avoiding the current duplication of effort.

- *REGISTER OF TRADITIONAL OWNERS IS THE RESPONSIBILITY OF THE TRUSTEE TO MAINTAIN AND THE EXISTING REGISTER WHICH WAS BASED ON GAC MEMBERSHIP HAS BEEN REVIEWED BY TRUSTEE IN 2012 AND 2013 AS REQUIRED BY CLAUSE 12 TRUST DEED.*
- *THIS IS THE FIRST REVIEW THAT RECORDS CHILDREN, WHICH WILL PROVIDE INFORMATION REQUIRED TO FORMULATE AN EFFECTIVE STRATEGIC PLAN FOR THE FOUNDATION*

Capacity Building – That as a matter of urgency a program of capacity building for members of the GAC Governing Committee and Directors of the GIPL Board is implemented.

- *IMPLEMENTED AND ONGOING*

Leadership Development – That a program of leadership development and capacity building for the TOs in general is implemented.

- *IMPLEMENTED AND ONGOING*

Communication Plan – That a detailed, multi-channel communication plan for the Gumala General Foundation is developed and implemented.

- *IMPLEMENTED AND ONGOING*

Project proposal and development- That a single governance structure is established or a single committee is delegated to:

- Receive draft project proposals,
 - from the Trustee or Manager, or
 - from the community language groups, or
 - place of residence community group, or
 - from any member, or
 - from any outside body with a valid interest in the Beneficiaries.
- Consider proposal in principle, and if agreed, commission a detailed project proposal or plan.
- Consider the detailed project proposal or plan and decide on implementation, including resourcing, procurement strategy, timelines, risks, performance indicators and expected outputs and outcomes.
- Monitor implementation and act as a project steering committee.
- Oversee post implementation reviews for each approved project.

The process and responsibility for formal approval and compliance with the Trust Deed will be determined by the structural option adopted by the Foundation after this Review.

- *THE GIPL BOARD CONSIDERS PROPOSALS RECEIVED FROM GAC AFTER THE PROPOSAL HAS BEEN ASSESSED BY THE AUDIT & RISK COMMITTEE.*
- *DRAFT PROPOSALS DEVELOPMENT POLICY HAS BEEN DRAFTED AS PART OF THE GOVERNANCE REFORM PROGRAM IMPLEMENTED BY GIPL AFTER THE REJECTION OF THE 2011 RESTRUCTURE PROPOSAL*

Duplication – That the duality in governance arrangements be removed and with it duplication of administrative and support functions in the following areas:

- Program approvals under the Income Categories;
- Consultation on the aspirations of Traditional Owners;
- General Meetings;
- Maintenance of Register of Beneficiaries/TOs;
- Planning and budgeting;
- General communication with Beneficiaries/TOs; and
- Office administration and infrastructure.

- *GAC AND GIPL ENDEAVOUR TO WORK COLLABORATIVELY TO REDUCE DUALITY OF GOVERNANCE ARRANGEMENTS WHERE POSSIBLE.*

Outsourcing – that consideration be given to the replacement of some existing administrative infrastructure for the delivery of services to Beneficiaries with outsourcing arrangements by specialist providers.

Management Accounting Approach – That some basic management accounting approaches be adopted to:

- identify the cost of services/products (outputs) of the Foundation;
- provide information to report to TOs on the output of the Foundation; and
- identify and reduce indirect costs.

- *REVIEW OF PROGRAMS AND FINANCIAL MANAGEMENT AND SUSTAINABILITY COMMISSIONED IN MAY 2012 AND COMPLETED OCTOBER 2012 (REFER CLAUSE 10.5 OF TRUST DEED)*
- *IMPLEMENTED AND ONGOING*

Standard Operating Procedures and Relationships Manual – That a Standard Operating Procedures and Relationship Manual be developed for the Foundation, and,

- a) a staff working group, assisted by an outside professional under guidance of the Executive Officer, be set up and tasked to draw up the manual within a designated time frame;
- b) the draft manual be trialled through a pilot program for a certain period (say 6 months);
- c) the draft manual be amended in the light of the trial; and
- d) the manual be reviewed regularly.

- *IMPLEMENTED – FOUNDATION, TRUSTEE AND MANAGER*

PLANNING

Foundation Planning Framework – That the Foundation implements a planning framework that:

- a) Starts with local and small group planning activities with composition and focus of groups determined locally by Beneficiaries themselves;
- b) Consolidates local plans into a three year rolling Gumala Strategic Plan and annual Gumala Operating Plan; and
- c) Includes a management accounting approach that clearly identifies the full cost of Foundation outputs.

- *THREE YEAR FUNDING AGREEMENT IMPLEMENTED*

Planning – That the Foundation, as a matter of urgency but on the basis of an agreed planning framework, undertakes a structured program of planning workshops, involving all the TOs at locations throughout the Pilbara, to identify:

- a) Traditional Owner aspirations for their Language Group, family and personally for the next 10 years;
- b) the main areas of desired activity for the Foundation over the next 10 years, irrespective of Income Category or PBI constraints;
- c) Indicators for achieving agreed goals (Specific, Measurable, Relevant and Time specific);
- d) Specific programs of activity to achieve these goals, including consideration of the human and financial resources required; and
- e) Existing program and resources outside of the Foundation that may be leveraged by “the Gumala Plan”.

- *ONGOING*
- *CONSIDERING*

Planning Unit – That the Foundation considers establishing a planning unit within the Foundation structure.

INVESTMENT STRATEGY

Investment strategy – that a staged investment implementation plan be developed in conjunction with the Trustee financial advisors. Such a plan should include the coordination of cash and non-cash investments and a reconsideration of the allocations to classes of asset.

Passive Investing – that the Trustee considers the benefits of passive investing designed to replicate the performance of the underlying asset class e.g. An Australian share market fund that invests in the whole Australian share market. Such investments reduce fees by eliminating high fee alternative funds and adviser fees.

Domestic v International Investing – that the Trustee give consideration to diversification and therefore risk reduction by the inclusion of International Fixed Interest and International Property in its asset allocation.

Developed v Emerging Investing – that the Trustee give consideration to the role that emerging market investments may have for their portfolio to take advantage of material shift in economic power from the developed nations of the world to emerging nations (China, India, Brazil, Russia, etc.)

Hedged v Unhedged Investing – that the Trustee seeks advice on the extent of currency risk they wish to take in their investment portfolio and set that as part of their Investment Policy.

Large Company v Small Company Investing – that the Trustee seek advice on the risk of small company investing and determine the extent to which they wish to take small company risk in their Investment Policy.

Value v Growth Investing – that the tax free status of the Trustee be fully utilised with a greater emphasis on investments that offer fully-franked yields.

Listed v Unlisted Investing – that the Trustee set a minimum liquidity criteria and maximum exposure to gain higher returns from non-cash unlisted minimum term investments (where returns offset the extended period required to liquidate the investment).

Adviser Service level – that on-line access to daily valuations, quarterly reports with results compared to benchmark and quarterly meetings to review existing investments and agree next steps be adopted by the Trustee.

Independence of Advice – that the Trustee seek reassurance that investment advisors are the most highly skilled, qualified, experienced and independent investment advisors currently available to them to assist them to manage the future fund on behalf of the Beneficiaries.

Over exposure to resources sector – that the investment advisor be required to report on a quarterly basis on exposure to Australian resources stocks across all asset classes.

- *JOINT INVESTMENTS COMMITTEE REINSTATED*
- *REVIEWED INVESTMENT STRATEGY (ONGOING)*
- *REVIEWED INVESTMENT ADVISERS (3 YEAR BASIS)*

COMMUNICATION

Communication Strategy – Design, with the input of the Traditional Owners, and put in place a multi-layered, multi-channel communication strategy for the Foundation. This will involve regular working meetings of Traditional Owners in the various locations where they live, and/or in Language Groups, to facilitate information flow between the TOs and their elected representatives, dealing with the aspirations of the TOs and ways in which the Foundation can best meet their need. A variety of appropriate ways of communication should be used.

- *IMPLEMENTED AND ONGOING*



LEGAL STRUCTURE OF THE GENERAL GUMALA FOUNDATION

This section of the Report records the essential elements of the legal structure of the Foundation and its status as a tax exempt charity. The Foundation is granted tax exemption status as it is a Public Benevolent Institution (“PBI”). It also is a Deductible Gift Recipient (“DGR”). In addition GAC in its own right is exempt also as a PBI and has DGR status on the basis of the Objects recorded in its Rule Book and its activities (refer below for further explanation).

Summary of Essential Elements of General Gumala Foundation Trust Deed

Section 2A records the significant features of the Trust Deed and describes the context in which to consider the Trust Deed.

- The General Gumala Foundation was set up to receive from Hamersley Iron Pty Ltd future land use compensation payments on behalf of the Bunjima people, the Niapaili people and the Innawonga people (collectively the Gumala people) under the Yandi Land Use Agreement.
- Under the Trust Deed, the Trustee of the Trust is Gumala Investments Pty Ltd (GIPL) (a corporation incorporated under the *Corporations Act*) and the Manager is Gumala Aboriginal Corporation (GAC) (a corporation incorporated under the *Corporations (Aboriginal & Torres Strait Islander) 2006 Act*).
- The roles of the Trustee and the Manager are set out in the Trust Deed. In summary, the Trustee has a central and supervisory role, the Manager has responsibility for the day-to-day management of the Trust, and there is a system of checks and balances between the Trustee and the Manager having regard to the wide range of Beneficiaries, their diverse needs and the future generations.

Rights and Obligations of Trustee and Manager under the Trust Deed

Section 2B details the separate rights and obligations of each of the Trustee and the Manager recorded in the Trust Deed.

General Gumala Foundation and Yandi Land Use Agreement: Essential Definition of Beneficiary

Section 2C contains an explanation of the definitions of Beneficiary of the Foundation and Member of the Gumala Aboriginal Corporation and includes the extracts from the relevant documents. This explanation is necessary because there has been recorded a lack of understanding of the inter-connection of the General Gumala Foundation Trust Deed and the Yandi Land Use Agreement, including the definition of Beneficiary of the Foundation and Member of GAC -refer Parakeelya Report.

Accordingly this section also includes a summary, by way of background, of the negotiation process that led to the formation of the Foundation, including the intended Beneficiaries, and identifies why the requirements to be a “Beneficiary of the Foundation” and a “Member of GAC” are not identical and not required to be identical.

Taxation Status of the General Gumala Foundation

Section 2D outlines the taxation status of the General Gumala Foundation and the Gumala Aboriginal Corporation and contains an explanation of the principal aspects of the requirements of the taxation legislation that must be followed in order to maintain the current income tax exempt and DGR status of the Foundation and GAC.

Outline of Issues to be Considered in Respect of any Changes to the Structure of the Foundation

Section 2E highlights the matters that must be considered when any structural changes to the Trust Deed are under consideration.



SUMMARY OF ESSENTIAL ELEMENTS OF GENERAL GUMALA FOUNDATION TRUST DEED

The General Gumala Foundation was set up to receive from Hamersley Iron Pty Ltd future land use compensation payments on behalf of the Bunjima people, the Niapaili people and the Innawonga people (collectively the Gumala people) under the Yandi Land Use Agreement.

Under the Trust Deed, the Trustee of the Trust is Gumala Investments Pty Ltd (GIPL) (a corporation incorporated under the *Corporations Act*) and the Manager is Gumala Aboriginal Corporation (GAC) (a corporation incorporated under the *Corporations (Aboriginal & Torres Strait Islander) 2006 Act*).

The roles of the Trustee and the Manager are set out in the Trust Deed. In summary, the Trustee has a central and supervisory role, the Manager has responsibility for the day-to-day management of the Trust, and there is a system of checks and balances between the Trustee and the Manager having regard to the wide range of Beneficiaries and their diverse needs.

The Beneficiaries of the Trust are the persons who are under Aboriginal Tradition the Traditional Owners or custodians of the Traditional Lands including future generations, and any Deemed Traditional Owners.

It is useful to consider the Trust Deed as whole in its context:

- **The first matter of context** is that the Manager is a corporation incorporated under the *Corporations (Aboriginal & Torres Strait Islander) 2006 Act* whose members are the Gumala people, and which has 12 directors, four from each language group, elected by its members.
- **The second matter of context** is that the Manager was involved in the negotiation of and was a party to the Yandi Land Use Agreement, from which the funds the subject of the Trust derive.
- **The third matter of context** is that the Trustee is a *Corporations Act* corporation with six directors, three of which are nominated by the Manager but who must not be on any committee of the Manager or involved in the day to day management of the Manager and three of which are independent directors with no affiliation with any Traditional Owners, including a chairman with a casting vote.
- **The fourth matter of context** is that the Trustee exists for no other purpose than to be the Trustee of the Foundation, while the Manager can perform a variety of roles and functions as an independently registered Aboriginal Corporation in addition to its primary role of managing the day to day activities of the Foundation.

Within that context the following features of the Trust Deed are of significance:

- **Clause 2** – the declaration of Trust.
- **Clause 2(2)** – under the heading "Declaration of Trust and Creation of Foundation" -the Trust shall be administer on the basis that the Manager will to the extent practicable and as required by the Trustee manage the Trust Fund under the direction, supervision and control of the Trustee.
- **Clause 3** – the Objects of the Trust, including in **Clause 3.4(1)** the objective of bringing lasting and tangible benefits to the Beneficiaries and in **Clause 3.4(5)** to assist the Beneficiaries to become economically independent.
- **Clause 4.2** – the Manager is appointed the Manager of the Trust and the Trust Fund.
- **Clause 4.4** – the Manager is responsible on a day to day basis for consulting with the Traditional Owners, developing proposals, submitting proposals to the Trustee and assisting or effecting the implementations of proposals approved by the Trustee.
- **Clauses 4.5, 4.6, 4.7** – the Trustee is responsible for taking proper steps to ensure that the Manager acts in accordance with the Trust Deed and for reviewing proposals put by the Manager to determine whether they are in accordance with the terms of the Trust Deed and that the Manager is acting prudently and carefully.
- **Clause 4.8(2)** – the Trustee will supervise and discharge its functions in a manner which will assist the Manager in gaining increasing expertise in the management of the Trust, with a view to, over time, the management input of the Trustee decreasing and the management input from the Manager increasing.

- *Clause 6* – the Trustee is to be independent of the Traditional Owners and the Manager and act in such manner as the Trustee considers to be in the best interests of the Trust and the Beneficiaries, and may regulate its affairs in such a manner as to preserve its independence and has ultimate decision making power.
- *Clause 8* – utilisation of income including that the Trustee must invest not less than 40% of the Available Income received by the Trustee, after consultation with the Manager, in long term prudent investments.
- *Clause 8.11* – if the Trustee determines not to apply any of the minimum levels of Available Income – the Trustee must prepare an instrument in writing setting out the reasons and provide a copy to the Manager.
- *Clause 10.3* – no person will be engaged as Executive Officer of the Manager unless the Manager and the Trustee both approve in writing the engagement of the person and the terms of their engagement.
- *Clause 10.5* – the Trustee will review the effectiveness and efficiency of the Manager and take proactive steps to increase the effectiveness of the Manager by various means.
- *Clause 11.3* – no cash may be distributed to the Beneficiaries unless there has first been consultation between the Trustee, the Manager and the Traditional Owners as to the proposal to distribute cash.
- *Clause 12* – the Trustee shall determine which persons are Traditional Owners.
- *Clause 14* – the Trustee may in consultation with the Manager appoint a Custodian Trustee.
- *Clause 18* – the investment and other powers of the Trustee.
- *Clause 18.2* – the power of the Trustee after consultation with the Manager to apply funds to a Beneficiary in special need.
- *Clause 24.2* – the Trustee shall direct the Manager as to reporting requirements of the Manager.
- *Clause 26* – Variation of the Trust with the written consent of the Trustee and the Manager.
- *Clause 27.1* – selection of two Appointment Committee members by the Manager.
- *Clause 27.8* – if the Trustee breaches a material term of the Trust Deed, then the Manager may after notice and with the sanction of the General Meeting remove the Trustee.
- *Clause 27.9* – replacement by the Manager of offices specified in the definition of Appointing Committee.
- *Clause 28* – eligible Trustees.
- *Clause 29* – the Trustee has reserve powers to, after notice, suspend the Manager, consult with the Traditional Owners rather than the Manager and take steps to appoint a new Manager.
- *Clause 33* – the Trustee will hold a Review of the operation of the Trust and the Trust Deed and provide to the Manager a report setting out the results of the Review, recommendations for the better administration of the Trust and, where appropriate, recommendations regarding amendment to the Trust Deed which the Trustee may consider appropriate having regard to the results of the Review.

The role of Manager is of considerable importance. First, the Manager was a party to the Yandi Land Use Agreement. Second, the Manager is a party to the Trust Deed. Third, the role of Manager is referred to in the recitals and in particular recital E, which provides that the Trust will be managed by the Manager. Fourth, the role of Manager is referred to in *Clause 2*, which is the declaration of Trust. *Clause 2(1)* provides that the Trust Fund is to be dealt with only in accordance with the terms of the Trust Deed.

Clause 2(2) provides that the Trust is to be administered on the basis that the Manager will to the extent practicable manage the Trust Fund under the direction, control and supervision of the Trustee. Fifth, other provisions of the trust deed shows a clear intention that the Trust is to be managed by the Manager, in particular *Clause 4.8(2)* (which provides that the Trustee will supervise and discharge its functions in a manner which will assist the Manager in gaining increasing expertise in the management of the Trust).

The Trust Deed shows an intention that the Trust, so far as is practicable, is to be managed by and for the Beneficiaries through the vehicle of the Manager.

This intention is a central feature of the Trust, because what is discernible is an intention not just that the Beneficiaries are advantaged during the term of the Trust by the direct benefits of the Trust Fund, but also that:

- The Beneficiaries gain expertise in the management of the Trust with a view, over time, to increasing their input in the management of the Trust and thereby benefitting from the acquisition of such expertise; and
- The Beneficiaries in participating in the management of the Trust work towards self-determination, and, thereby avoid, as far as practicable, the disadvantage of dependence that might otherwise be occasioned as a result of access to substantial funds in a Trust administered by a third party.

The role of the Trustee is significant for at least two reasons. First it is important to the checks and balances that have been built into the terms of the Trust Deed. Second, and more fundamentally, it is important because the Trust is intended to benefit not just the Traditional Owners presently determined but future generations as well. The independence of the Trustee from the Manager and from the Traditional Owners is a fundamental feature of the Trust.

The importance of the independence of the Trustee can be understood from, in particular:

- *Clause 6* which states that the Trustee is intended to be independent of the Traditional Owners and the Manager; and
- *Clause 28* which deals with eligibility to be the Trustee and requires each of the independent directors to have no affiliation with any Traditional Owners.




**GENERAL GUMALA FOUNDATION TRUST DEED
TRUSTEE – RIGHTS AND OBLIGATIONS**

TRUSTEE	Clause
Agreed to act as Trustee of the Trust Fund and income	2(1); 4(1)
Must take proper steps to ensure that the Manager acts in accordance with the Terms of the Trust Deed	4.5(1)
Review proposals in order to <ul style="list-style-type: none"> - determine if in accordance with Deed - ensure Manager is acting prudently, carefully and in a workmanlike manner, and applying reasonable due diligence when formulating a proposal 	4.5(2)
Approve proposals in writing	4.6
Consider proposals promptly. The Trustee may <ul style="list-style-type: none"> - impose conditions - request further information including studies - reject with reasons and recommendations for variations in order that the proposal may be resubmitted 	4.7(1) 4.7(2)(b) 4.7(2)(c) 4.7(2)(d)
Assist Manager to gain increasing expertise in the management of the Foundation	4.8(2)
In order to support self determination of Manager and Traditional Owners, ensure that decision making occurs only after proper consultation with Manager and Traditional Owners	4.8(3)
Trustee to be independent of Traditional Owners and the Manager	6.1; 6.2
Trustee may regulate own affairs in order to maintain independence	6.2
Trustee has ultimate decision making power (make decisions and exercise powers in best interests of Beneficiaries within the Objects)	6.1; 6.3
Trustee will consult regularly with Traditional Owners	7.1
Trustee may convene and pay reasonable expenses of meetings (convened for the purpose of consultation) of Traditional Owners at such times and in such manner as they think fit (including reasonable mileage allowance for Traditional Owners who attend)	Heading; & 7.2
Must consult Traditional Owners minimum once per year 7.3 <ul style="list-style-type: none"> - may consult with different sections of Traditional Owners by convening separate meetings 	7.3 7.5
NB Available Income means the net income of the Foundation in any Financial Year after payment or provision for the costs of administering the Foundation and taxes and charges	1 Definition
Investments	8.1; 8.2
Minimum 40% of Available Income to be invested after consultation with Manager may establish unit trusts with one or more corporate trustees	
Education and Training	8.3; 8.4
Determine what percentage of Available Income (NB primary obligation to spend not less than 10%) to be spent on Education and Training after consultation with Manager or having approved a proposal	

Business Development	8.5; 8.6
Determine what percentage of Available Income (NB primary obligation to spend not less than 10%) to be spent on Business Development after consultation with Manager or having an approved proposal <i>“assisting the Manager, Eligible Entities or the Traditional Owners in acquiring, commencing, expanding, approving, upgrading or restructuring economic enterprises or interests in economic interests with a view to assisting Traditional Owners in becoming economically independent. By way of example, such funds may be applied by way of loans, grants, equity investments held by the Manager or the Trustee or by the provision of funding for business or other advice in connection with such economic enterprises”</i>	
Community Development	8.7; 8.8; 8.11
Determine what percentage of Available Income (NB primary obligation to spend not less than 20%) to be spent on Community Development programs after consultation with Manager or having approved a proposal	
NB <i>“Any infrastructure built or acquired in the course of implementing Community Development programmes will be owned by the Trustee on behalf of the Foundation unless the terms on which the funding is provided stipulates clearly in writing to the contrary”</i>	
Health & Wellbeing	8.9A; 8.11
Primary obligation to spend not less than 10% of the available income in funding programs for health and well-being of Traditional Owners	
Cultural Purposes	8.9; 8.11
May allocate up to 5% of Available Income in protecting or enhancing cultural life of Traditional Owners	
Other Income	8.10; 8.11
Balance of income may be applied after consultation with Manager or in approved proposal falling within Objects	
At least once per year Trustee will meet with Liaison Committee (i.e. representatives of Manager and Hamersley companies)	9.1
Provide sufficient funds to Manager to enable it to effectively and efficiently perform its functions	10.1
Jointly with Manager, identify and recruit an Executive Officer of Manager and jointly approve appointment and terms in writing	10.3
Review the effectiveness and efficiency of Manager from “time to time”	10.5
Wherever possible, take proactive steps to increase effectiveness and efficiency of the Manager	10.5(1) to (5)
No cash may be distributed to Beneficiaries unless consultation has occurred with the Trustee, Manager and the Traditional Owners – subject to clause 11.3	11.2
Make cash payments to alleviate unusual hardship/distress or an emergency after consultation with Manager	11.3; 11.4

Maintain a Traditional Owners Register – to be reviewed regularly at least every five years	12.1; 12.2
Hold Trust Property in own name except as provided for by Deed (i.e. Investment Trust)	13
Hold an annual general meeting between 1 August to 31 December	16.1
Provide 14 days notice (minimum) of general meetings	16.4
Power to invest, including as per Trustees Act (set out in clause)	18
Trust Fund to be kept separate and distinct from any other trust fund	19
Board members may be paid reasonable remuneration as agreed after consultation with Manager	20.2
May charge its reasonable expenses to Trust Fund	21.2
May delegate and employ persons in order for business to be done “in the premises” and Trustee shall determine remuneration	22
Entitled to be indemnified for liabilities incurred “... by virtue of being a Trustee”	23
Keep complete and accurate books of account and prepare written accounting report (balance sheet, income and expenditure statement, list of assets) at the end of each accounting period	24.1
Direct manager in writing as to reporting requirements of Trustee	24.2
Appoint an auditor	25
Appointed for Minimum Term(s) until removed or resigns	27.2
May resign by giving 90 days written notice to the Manager	27.5
Trustee may suspend Manager if fails to properly perform duties and fails to remedy failure within 60 days, or is insolvent	29.1
Trustee will consult with Manager (if considers appropriate) to lift suspensions or appoint new manager	29(1) (c) and (d)
Trustee must convene and hold a review of the operation of the Foundation and the Deed within 18 months of the expiry of each Minimum Term	33.1
At the completion of the review required by clause 33.1, Trustee to provide to the Manager a report setting out the results and recommendations for better administration of the Foundation and, where appropriate, amendments to the Trust Deed considering the results of the review	33.2

**GENERAL GUMALA FOUNDATION TRUST DEED
MANAGER – RIGHTS AND OBLIGATIONS**

MANAGER	Clause
Will manage the Trust Fund under the direction, supervision and control of Trustee (to the extent practicable and as required by the Trustee)	2(2); 4(2)
Responsible on a “day-to-day” basis for	4.4(1)
- consulting with Traditional Owners	4.4(2)
- developing, researching and preparing proposals for investments, Community Projects and other matters falling within the Objects of the Trust Deed	4.4(3)
- submitting proposals to the Trustee	4.4(4)
- assisting or effecting the implementation of approved proposals (where the Trustee considers it appropriate)	
Manager may convene and pay reasonable expenses of meetings (convened for the purpose of consultation) of Traditional Owners at such time and in such manner as they think fit (which expenses may include a reasonable mileage allowance for Traditional Owners to attend)	Heading; & 7.2
Must consult Traditional Owners a minimum of three times per year	7.4
- may be of different sections of Traditional Owners	7.5
Consult with Trustee re allocation of Available Income under clause 8 of Trust Deed	8
Executive Officer primarily to report to Committee of Manager	10.4
Executive Officer to report to Trustee on behalf of Manager	10.4
Be consulted on what is reasonable remuneration of a member of Board of Directors of the Trustee	20.2



General Gumala Foundation and Yandi Land Use Agreement: Essential Definition of Beneficiary

Background – Summary of Negotiation Process for the YLUA

The Yandi Land Use Agreement was the first regional land use agreement for a major resource project to be concluded after the Mabo decision. It was signed in March 1997 between Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto, and Gumala Aboriginal Corporation, representing the native title claimants of the land being the three Aboriginal Language Groups (Bunjima, Innawonga and Niapaili) covered by Hamersley's Yandicoogina iron ore project.

These Traditional Owners felt that the advantages of the greater strength that would be gained from presenting a united front in negotiations with the company outweighed the disadvantages of three separate negotiations. It was seen as a unique opportunity to negotiate a favourable agreement that would confer substantial benefits on Aboriginal people in the region. This process has been described by Clive Senior who mediated the negotiation and the text that follows reflects his description¹.

It had been decided from the outset that an inclusive policy should be pursued in determining who should be involved in negotiations: all those who believed that they should be involved had a chance to become involved. It would also pre-empt later challenges by Aboriginal people claiming they had not been consulted. Although mining had been going on in the Pilbara for over 30 years no one had ever before consulted Aboriginal people about it, let alone invited them to negotiate over a project.

The Yandi Land Use Agreement was signed by approximately 130 individuals – refer record of names at **Schedule A**. These included not only registered native title claimants, but also those individuals who had been identified by a genealogical study carried out for Gumala as being most closely related to certain key ancestors. Because of indemnities given by Gumala in the Agreement that it represented all claimants, it was in Gumala's best interests to do everything possible to ensure that all potential native title claimants were bound by the Agreement. No Native title claimants other than Gumala emerged.

The whole process was conducted outside the Native Title Act. Once agreement had been reached it was necessary to adopt certain procedures within the Native Title Act to ensure the legislative certainty required for the project. Hamersley, Gumala and the State government agreed in writing that the leases could be granted (Tripartite Agreement) and lodged a copy of the Tripartite Agreement with the Native Title Tribunal.

The compensation money is paid to the General Gumala Foundation, the Beneficiaries of the Trust are the Traditional Owners as defined in the Trust Deed of the Trust. This Trust Deed was drafted and executed in the same year as the Yandi Land Use Agreement. The Trust Deed is a comprehensive 34 page legal document between Gumala Aboriginal Corporation - the Manager, Gumala Investments Pty Ltd - the Trustee, and the Traditional Owners of the three Gumala language groups. The purpose of the Gumala Trust Deed is to have clear definitions, roles and responsibilities to appropriately manage and supervise the money that is paid into the General Gumala Foundation. The Beneficiaries of the Foundation are the Traditional Owners of the three Gumala language groups: Bunjima, Niapaili and Innawonga.

Clauses 18 to 33 of the Trust Deed relate specifically to The Trustee, and outline the significant powers of The Trustee, which in essence is to act as a "safe pair of hands" to ensure the money is spent wisely, and in accordance with the terms of the Trust Deed.

The definition of the Traditional Owners and each language group in the Trust Deed is inclusive and based on use or occupation of part of the Claim Area, to ensure there can be no possibility of excluding an eligible person. This is supported by the *Guiding Principle 5.1(2)* of the Trust Deed:

"Certain people residing in the Region have as at the date hereof been recognised as having traditional ownership or custodianship of the Traditional Lands ("the Identified Traditional Owners"). The Identified Traditional Owners will have affiliations by kinship to a large number of people. It is intended that to the extent practicable the Identified Traditional Owners will through a process of consultation and discussion determine which other people are to be treated as Traditional Owners;"

¹ The Yandicoogina Process: A model for negotiating Land Use Agreements; February 1998; No. 6 Regional Agreements Paper, Land Rights; Laws: Issues of Native Title, Native Title Research Unit; Australian Institute of Aboriginal and Torres Strait Islander Studies: copy available on Foundation Website (www.gumalatrust.com).

Definitions of *Beneficiary and Member of GAC*

Benefits provided to Beneficiaries have been essentially administered through GAC, except during part of the period of the Second Review of the Foundation and Trust Deed when the Trustee administered the provision of some benefits. To claim a benefit a Beneficiary had to be a Member of GAC. This arrangement led to confusion. However, GAC revised the Member Services Guidelines to clearly state that in order to be eligible to claim a benefit from the Foundation Trust Fund, a person must be recorded as a Beneficiary of the Foundation, but in order to actually make a claim for a benefit, that Beneficiary must be a Member of GAC.

This is an administrative process. The Trustee wishes to ensure that no Beneficiary of the Foundation is inadvertently excluded from eligibility to apply under a program simply because they may not be a Member of GAC. This can occur as outlined below.

The determination of Beneficiary status under the Trust Deed and Member status of GAC, under the GAC Rule Book, differs.

- A Beneficiary of the Foundation is required to be a “Traditional Owner” as defined in the Trust Deed: With respect to the definition of Traditional Owner under the Trust Deed refer to the relevant extracts of the Trust Deed, attached.
- In order to be eligible to be a member of GAC an individual must be a “Traditional Owner” as defined under the GAC Rule Book: With respect to the membership requirements of the Gumala Aboriginal Corporation refer to the relevant extracts of the rule book of the GAC, attached.

Whether an individual is a “Beneficiary” is a decision made by the Trustee having regard to specified criteria as listed in *Clause 12.1* of the Trust Deed.

The process with respect to membership of GAC is quite different. The GAC Rule Book provides that:

- *“the directors of GAC consider and decide membership applications”*: (Rule 5.2.4(a)) and,
- *“they may refuse to accept a membership application even if the applicant has applied in writing and complies with all eligibility requirements”*: (Rule 5.2.4(e)).

The Trustee of the Foundation is required to consider a particular set of factors when determining whether an individual is a Traditional Owner and therefore a Beneficiary of the Foundation. This process is very similar to the determination of whether the individual is eligible to be accepted as a member of GAC. There is however an extra “step” in order to be a member of GAC. That is a process independent of the Trustee and the Trust Deed and is determined by the GAC Rule Book and, as noted above, is in the control of the GAC Board. Therefore it is possible for a Beneficiary of the Foundation not to be a member of GAC if their application has not been accepted by the GAC Board or if they have been excluded from the membership for reasons permitted under the GAC Rule Book.

It is intended that the “GIPL Register of Beneficiaries” and the “Register of GAC Members” will be the same as each other. The Relevant Extracts from the Foundation Trust Deed and the GAC Rule Book that follow confirm that the requirements to be a “Member of GAC” and a “Beneficiary of the Foundation” are not identical.

RELEVANT DEFINITIONS FROM *Clause 1 of the TRUST DEED*

“Aboriginal Tradition” means the bodies of traditions, customs and beliefs of Aborigines or of a community of Aborigines and includes those traditions, observances, customs and beliefs as applied in relation to particular persons, sites, areas of land, things or relationships;

“Beneficiaries” shall mean the Traditional Owners;

“Bunjima” means the people who are from time to time members of the Aboriginal peoples known as the Bunjima being the persons who are by Aboriginal Tradition entitled to the use or occupation of part of the Claim Area irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law;

“Deemed Traditional Owners” means persons deemed in accordance with clause 12.4 to be Traditional Owners;

“Identified Traditional Owners” shall bear the meaning ascribed in clause 5.1(2) [Reproduced below];

“Innawonga” means the people who are from time to time members of the Aboriginal peoples known as the Innawonga being the persons who are by Aboriginal Tradition entitled to the use or occupation of part of the Claim Area irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law;

“Niapaili” means the people who are from time to time members of the Aboriginal peoples known as the Niapaili being the persons who are by Aboriginal Tradition entitled to the use or occupation of part of the Claim Area irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law;

“Traditional Lands” means those parts of the Claim Area which are affected by mining leases, special leases and other tenure granted to the Hamersley Companies for the purposes of siting and operating the Project;

“Traditional Owners” means the persons who are under Aboriginal Tradition the traditional owners or custodians of the Traditional Lands including future generations thereof, and any Deemed Traditional Owners;

“Traditional Owner Register” means the register of Traditional Owners contemplated by clause 12 [Reproduced Below];

RELEVANT CLAUSES FROM TRUST DEED Clauses 12 & 5

12 TRADITIONAL OWNER REGISTER

12.1 The Trustee shall cause to be determined to the extent practicable which persons are from time to time members of the Traditional Owners on regular intervals not exceeding five years and in doing so the Trustee shall have regard to:

- (1) Aboriginal Tradition;*
- (2) the findings of any bona fide genealogical studies, landownership studies or land boundary studies which may at any time or from time to time be carried out;*
- (3) whether a person regards himself as a Traditional Owner and is accepted by other Traditional Owners as a Traditional Owner;*
- (4) any relevant determination of any Court or tribunal;*
- (5) the relationship of a person to the area of the Traditional Lands in terms of family, clan, kinship, traditional occupation rights by marriage or affiliation, usufructuary rights and all other connections to the land recognised by Aboriginal Tradition;*
- (6) the views of any Traditional Owner Council.*

12.2 The Trustees shall cause to be compiled and maintained a register to be known as the Traditional Owner Register containing information as to:

- (1) names and addresses of the Traditional Owners of the Traditional Lands;*
- (2) whether each individual is a member of the Bunjima people, the Niapaili people or the Innawonga people.*

12.3 The Trustee may from time to time refer to the Identified Traditional Owners (or a representative committee thereof) for determination or advice questions as to whether particular peoples are Traditional Owners.

12.4 If the Identified Traditional Owners or a representative committee thereof (as the case may be) determine that particular peoples are to be considered as Traditional Owners then such person or persons will be deemed to be Traditional Owners irrespective of whether genealogical or landownership studies have identified such person or persons as Traditional Owners.

5 GUIDING PRINCIPLES

5.1 The Guiding Principles of the Foundation are, subject to the Objects and to the extent consistent with the Objects, as follows:

- (1) the Foundation’s activities are to be primarily focussed on the Region and the majority of the benefits of the Foundation will be for the benefit of those Traditional Owners who reside in the Region;*
- (2) certain people residing in the Region have as at the date hereof been recognised as having traditional ownership or custodianship of the Traditional Lands (“the Identified Traditional Owners”). The Identified Traditional Owners will have affiliations by kinship to a large number of people. It is intended that to the extent practicable the Identified Traditional Owners will through a process of consultation and discussion determine which other people are to be treated as Traditional Owners;*

- (3) in determining how benefits are to be shared between the Beneficiaries due consideration will be had to any relevant General Meeting Directives including directives in relation to Guiding Principles (1) and (2);*
- (4) except to the extent expressly contemplated Guiding Principles (1), (2) and (3), the Foundation will be impartial in sharing benefits between the Traditional Owners and will not favour any sections of the Traditional Owners. However, it is recognised that some sections of the Traditional Owners may receive some benefits before other sections because of the limited financial resources of the Foundation in any Financial Year. It is also recognised that different sections of the Traditional Owners may enjoy benefits of different kinds;*
- (5) the views of the Traditional Owners as determined through General Meeting Directives and consultation will be considered in the administration of the Foundation;*
- (6) the Trust Fund is for the benefit of the existing Traditional Owners and for future generations of the Traditional Owners;*
- (7) in determining how to distribute, apply or invest the Trust Fund a balance must be sought between:-*
 - (a) immediate application of the Trust Fund for Community Projects and other purposes consistent with the Objects of the Foundation; and*
 - (b) wise investment of the Trust Fund in income producing investments for the long term benefit of the Traditional Owners and future generations thereof.*

RELEVANT DEFINITIONS FROM GAC RULE BOOK

Schedule 1 – Dictionary and Interpretation

Dictionary

In these rules, the following terms shall, unless the context otherwise requires, bear the following meanings:

'Aboriginal person' means a person of the Aboriginal race of Australia;

'Aboriginal and Torres Strait Islander person' means the following:

- (a) an Aboriginal person;
- (b) a Torres Strait Islander;
- (c) an Aboriginal and Torres Strait Islander person;
- (d) a Torres Strait Islander and Aboriginal person;
- (e) an Aboriginal and Torres Strait Islander Corporation;
- (f) a body corporate prescribed by name in the regulations made under the Act;
- (g) A body corporate in which a controlling interests is held by any, or all, of the following persons:
 - (i) Aboriginal persons;
 - (ii) Torres Strait Islanders;
 - (iii) Aboriginal and Torres Strait Islander persons;
 - (iv) Torres Strait Islander and Aboriginal persons;

'Aboriginal tradition' means the bodies of traditions, observances, customs and beliefs of Aborigines or of a community or group of Aborigines and include those traditions, observances, customs and beliefs as applied in relation to particular persons, sites, areas of land, things or relationships;

'Bunjima' means the people who are from time to time members of the Aboriginal peoples known as the Bunjima being the persons who are by Aboriginal Tradition entitled to the use or occupation of the Bunjima Lands irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law, in accordance with the views of persons who are recognised Bunjima elders under Aboriginal Tradition;

'Bunjima Lands' means those lands outlined in the red in the plan contained in Schedule

'Innawonga' means the people who are from time to time members of the Aboriginal peoples known as the Innawonga being the persons who are by Aboriginal Tradition entitled to the use or occupation of the Innawonga Lands irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law, in accordance with the views of persons who are recognised Innawonga elders under Aboriginal Tradition;

'Innawonga Lands' means those lands outlined in blue in the plan contained in Schedule

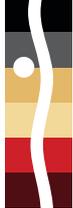
'Niapaili' means the people who are from time to time members of the Aboriginal peoples known as the Niapaili being the persons who are by Aboriginal Tradition entitled to the use or occupation of the Niapaili Lands irrespective of whether or not the traditional entitlement is qualified as to place, time, circumstance, purpose or permission and includes those persons, if any, having native title thereto under common law, in accordance with the views of persons who are recognised Niapaili elders under Aboriginal Tradition;

'Niapaili Lands' means those lands outlined in green in the plan contained in Schedule 2;

'Member' means a person whose name appears on the register of members;

'Traditional Lands' means the Bunjima Lands, the Niapaili Lands and the Innawonga Lands;

'Traditional Owners' means the Bunjima, the Innawonga and the Niapaili;



RELEVANT EXTRACTS FROM:

Rule Book of Gumala Aboriginal Corporation approved by the Delegate of the Registrar on 7 June 2009

1. NAME

The name of the Corporation is Gumala Aboriginal Corporation (Indigenous Corporation Number 2744).

2. INTERPRETATION

See Schedule 1 for the meanings of terms and phrases used in this Rule Book.

3. OBJECTIVES

3.1. The Objectives for which the Corporation is established are to provide direct relief from poverty, sickness, suffering, destitution, misfortune and homelessness to all Aboriginal people living in Australia who are members of the Bunjima, Innawonga and Niapaifi language groups without discrimination and to include, but without limiting the generality of the above, the following:

3.1.1. to represent the interests of the Bunjima, Innawonga and Niapaifi people in all matters relating to their traditional lands and culture;

3.1.2. to act as the manager of the General Gumala Foundation and the Trust Fund;

3.1.3. to develop a range of programs and services for members that are tailored where possible and as reasonably practicable to the needs of individual members;

3.1.4. to manage the delivery of programs and services for the benefit of members;

3.1.5. to give effect to the principles of self-management, economic independence and self-determination for Aboriginal people by:

(a) establishing, engaging in, owning, investing in, sponsoring, maintaining, managing, leasing and otherwise fostering business enterprises and commercial ventures, for and by the members, of any lawful kind;

(b) promoting, supporting and sponsoring the endeavours of Aboriginal organisations, groups, enterprises and individuals, especially members, towards social, cultural and economic development;

3.1.6. to maintain, protect, promote and advance the fore, culture, native title, traditions and customs of the members in accordance with Aboriginal Tradition, and to take steps to preserve and protect any Aboriginal sites of significance to members;

3.1.7. to promote, develop and advance the skills, capabilities, commercial and business achievements, and knowledge of members;

3.1.8. to promote and advance the members' economic and social progress and development and other interests including seeking to obtain economic independence;

3.1.9. to improve and advance the education and health of members; 3.1.10. to acquire, hold title or other interests in, encumber, deal in, develop and manage land, buildings, fixtures, chattels and other property for the benefit of the members;

3.1.11. to seek funds by means of obtaining government grants, non government grants, sponsorship, donations or engaging in any lawful activities or pursuits to be applied for the Objectives of the Corporation;

3.1.12. provide economic, environmental, social, health, educational and cultural benefits to the members of the Corporation; and

3.1.13. do all such acts and things as may be incidental to or necessary to attain all or any of the above Objectives.

4. POWERS OF THE CORPORATION

- 4.1. Subject to the Act and these rules, the Corporation has the power to do anything lawful to carry out the objectives.
- 4.2. The Corporation cannot charge application fees for membership or annual membership fees.

5. MEMBERSHIP OF THE CORPORATION

5.1. Members on registration

- 5.1.1. A person only becomes a member when the Corporation is registered, as long as the registration complies with the Act;
- 5.1.2. Members' names must be entered on the register of members.

5.2. Members by application

5.2.1. How to become a member after registration

- A person becomes a member if:
- (a) the person wants to become a member and applies in writing;
 - (b) the person is eligible for membership;
 - (c) the directors accept the application; and
 - (d) the person's name is entered on the register of members.

5.2.2. Who can apply to become a member (eligibility for membership)

- A person who is eligible to apply for membership must:
- (a) be at least 18 years of age; and
 - (b) be an Aboriginal person who is a Traditional Owner.

5.2.3. Membership application

- (a) A person (the applicant) who wants to become a member must apply to the Corporation.
- (b) The application must be in writing.

5.2.4. Deciding membership applications

- (a) The directors will consider and decide membership applications.
- (b) Applications will be considered and decided in the order in which they are received by the Corporation.
- (c) The directors must not accept an application for membership of the Corporation unless the applicant:
 - (i) applies according to rule 5.2.3; and
 - (ii) meets all the eligibility for membership requirements.
- (d) The directors must not accept an application if it results in a majority of members being non-Indigenous.
- (e) The directors may refuse to accept a membership application even if the applicant has applied in writing and complies with all the eligibility requirements.
- (f) If the directors decide not to accept a membership application, the Corporation:
 - (i) must notify the applicant of the decision and the reasons for it; and
 - (ii) may provide the notice in writing, by telephone or in person.
- (g) In determining whether an applicant is eligible for membership in accordance with rule 5.2.2, the directors, at their absolute discretion, may have regard to, among other things, the views of recognised elders in accordance with Aboriginal Tradition, any bona fide genealogical studies, anthropological studies, determination by the Native Title Tribunal or other court or other material as the directors think fit.

5.2.5. Entry on the register of members

If the directors accept a membership application, the applicant's name must be entered on the register of members within 14 days.

However, if:

- (i) the applicant applies for membership after a notice has been given for the holding of a general meeting; and
- (ii) the meeting has not been held when the directors consider the application; then the Corporation must not enter the person on the register of members until after the general meeting has been held.

5.3. Membership fees

The Corporation must not impose fees for membership of the Corporation.

5.4. Members rights and obligations

5.4.1. Members rights

(a) Each member has rights under the Act and these rules including the rights set out below.

A member:

- (i) can attend, speak and vote at a general meeting of the Corporation;
- (ii) can be elected or appointed as a director;
- (iii) cannot be removed as a member unless the directors and the Corporation have complied with rule 5.7;
- (iv) can put forward a resolutions to be voted on at a general meeting of the Corporation in accordance with rule 7.6;
- (v) can ask the directors to call a general meeting of the Corporation in accordance with rule 7.3.2;
- (vi) can access the following books and records of the Corporation :
 - (A) the register of members, under rule 6.5;
 - (B) the minute books, under rule 14.9;
 - (C) the Corporation's Rule Book, under rule 14.11 ;
 - (D) certain reports prepared by or for the directors and the Corporation, in accordance with the Act;
- (vii) can ask the directors to provide access to any other records or books of the Corporation in accordance with rule 14.10; and
- (viii) can have any disputes with another member or with the directors dealt with under the process in rule 17.
 - (b) Members do not have the right to share in the profits of the Corporation or take part in the distribution of the Corporation's assets if it is wound up.
 - (c) If a member believes that their rights have been breached or ignored by the directors, the member can use the dispute resolution process in rule 17.

5.4.2. Members' responsibilities

Each member has the following responsibilities:

- (a) to comply with the Act and these rules;
- (b) to notify the Corporation of any change in their address within 28 days;
- (c) to comply with any code of conduct adopted by the Corporation;
- (d) to treat other members and the directors with respect and dignity; and
- (e) to not behave in a way that significantly interferes with the operation of the Corporation or of Corporation meetings.

5.4.3. Liability of members

- (a) The members are not liable to contribute to the property of the Corporation on winding up.
- (b) If the application for registration of the Corporation states that members and former members are:
 - (i) not to be liable to contribute towards the payment of the debts and liabilities of the Corporation, then they are not liable to contribute; or
 - (ii) to be liable to contribute towards the payment of the debts and liabilities of the Corporation on a particular basis, then they are liable so to contribute on that basis.

5.5. How a person stops being a member

5.5.1. A person will stop being a member if:

- (a) the person resigns as a member (see rule 5.6);
- (b) the person dies;
- (c) the person's membership of the Corporation is cancelled (see rules 5.7.1 to 5.7.4); or
- (d) the member is a body corporate and it ceases to exist.

5.5.2. When a person ceases to be a member:

A person ceases to be a member when the member's name is removed from the register of members as a current member of the Corporation.

5.6. Resignation of member

5.6.1. A member may resign by giving a resignation notice to the Corporation.

5.6.2. A resignation notice must be in writing.

5.6.3. The Corporation must remove the member's name from the register of current members of the Corporation within 14 days after receiving the resignation notice.

5.7. Process for cancelling membership

5.7.1. Cancelling membership if member is not or ceases to be eligible

(a) The directors may, by resolution, cancel the membership of a member of the Corporation if the member either:

- (i) is not eligible for membership; or
- (ii) has ceased to be eligible for membership.

(b) Before cancelling the membership, the directors must give the member notice in writing stating that:

- (i) the directors intend to cancel the membership for the reasons specified in the notice;
- (ii) the member has 14 days to object to the cancellation of the membership; and
- (iii) the objection must be in writing.

(c) If the member does not object, the directors must cancel the membership.

(d) If the member does object as set out in rule 5.7.1 (b)(iii):

- (i) the directors must not cancel the membership; and

- (ii) only the Corporation by resolution at a general meeting may cancel the membership.

(e) If a membership is cancelled, the directors must give the member a copy of the resolution (being either the resolution of the directors or the resolution of the general meeting) as soon as possible after it has been passed.

5.7.2. Membership may be cancelled if member cannot be contacted

(a) The membership may be cancelled by special resolution in a general meeting if the Corporation:

- (i) has not been able to contact that member at their address entered on the register of members for a continuous period of 2 years before the meeting; and
- (ii) has made two or more reasonable attempts to contact the member during that 2 year period but has been unable to.

(b) If the Corporation cancels the membership, the directors must send that person a copy of the resolution at their last known address, as soon as possible after the resolution has been passed.

5.7.3. Membership may be cancelled if a member is not an Aboriginal and Torres Strait Islander person

(a) If rule 5.2.2 includes an eligibility requirement that an individual be an Aboriginal and Torres Strait Islander person, membership may be cancelled if member is not an Aboriginal and Torres Strait Islander person.

(b) The Corporation, by special resolution in a general meeting may cancel the member's membership if the general meeting is satisfied that member is not an Aboriginal or Torres Strait Islander person.

(c) If the Corporation cancels a person's membership under this rule, the directors must give that person a copy of the resolution, as soon as possible after it has been passed.

5.7.4. Membership may be cancelled if a member misbehaves

(a) The Corporation may cancel the membership by special resolution in a general meeting if the general meeting is satisfied that member has behaved in a way that significantly interfered with the operation of the Corporation or of Corporation meetings.

(b) If the Corporation cancels a membership under this rule, the directors must give that person a copy of the resolution, as soon as possible after it has been passed.

5.7.5. Amending register of members after a membership is cancelled

Within 14 days of a member's membership being cancelled, the Corporation must remove their name from the register of current members of the Corporation.

5.8. Different classes of members

The Corporation does not have different classes of members.

5.9. Observers

The Corporation does not have observers.



TAXATION STATUS OF THE GUMALA FOUNDATION TRUST

The published status of the General Gumala Foundation is that it is a public benevolent institution (“PBI”) endorsed to access the following tax concessions:

- Income Tax Exemption – 1 July 2000.
- It was endorsed as a deductible gift recipient (“DGR”) from 1 July 2009. This is in accordance with Item 1 of the table in **Section 30-15** of the *Income Tax Assessment Act 1997* (“ITAA 1997”).
- FBT Exemption – 1 July 2005.

Similarly GAC in its own right is also endorsed for the following concessions:

- Income Tax Exemption – 10 November 2005.
- GAC was endorsed as a DGR from 1 July 2005 in accordance with Item 1 of the table in **Section 30-15**.
- FBT Exemption – 10 November 2005.
- GST concession – 10 November 2005.

A PBI is a non-profit institution organised for the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness. The characteristics of a PBI are:

- it is set up for needs that require benevolent relief;
- it relieves those needs by directly providing services to people suffering them;
- it is carried on for the public benefit;
- it is non profit;
- it is an institution; and
- its dominant purpose is providing benevolent relief.

The income (ordinary and statutory), of religious, scientific, charitable and public educational institutions is exempt under **Section 50-5** of the *ITAA1997* (Items 1.1 to 1.4). The income of charitable, religious, scientific or public educational institution is only exempt from tax if the institution has been endorsed exempt by the Commissioner: **Section 50-52**. A charitable fund is endorsed as exempt under **Section 50-52(3)**. The effect of this is that all forms of income including income derived from investments is exempt from taxation impost.

If this exemption did not apply then the tax rate applicable to the investment income derived by the Foundation would be 45%. This would mean that, if the Foundation did not maintain the tax exemption through continuance of its PBI status then 45% of all investment income would be “lost”, that is it would be paid to the Government as taxation and not available to be provided for the Beneficiaries.

Whilst amendments to the *Income Tax Assessment Act 1936* have been introduced which mean that a Native Title benefit provided to an Indigenous Person or an Indigenous Holding Entity (defined terms) is nonassessable non-exempt income for income tax purposes, these provisions do not exempt the income derived from the investment of those funds. The General Gumala Foundation was established as a result of the negotiations which resulted in the Yandi Land Use Agreement and the Trust Deed is a schedule to the YLUA.

The funds received are for the disturbance to the land and the compensation payments received are expected to be enjoyed for future generations of the Beneficiaries. Accordingly as the new provisions in the taxation legislation do not apply to exempt income derived from the investment of the compensation payments, in order to maintain that preferred tax position, the status of Charitable Trust must be maintained by the Foundation.

In addition, **Clause 26.3** of the Trust Deed contains a limitation on the power to vary the Trust so that no proposed resolution to revoke, add to or vary the Trust may be put to a General Meeting of the Beneficiaries if the proposed resolution would be likely to adversely affect the tax exempt status of the Trust. Accordingly, the effect of this is that the Trustee, GIPL, cannot propose to the Beneficiaries any amendment to the Trust Deed that would have the effect of changing the status of the Foundation from an Income Tax Exempt Entity, to a taxable entity.

Essentially, a PBI is a non-profit institution organised for the “*direct relief of such poverty, sickness, suffering, distress, misfortune, disability, destitution or helplessness as arouses compassion in the community*”: *Perpetual Trustee Company Limited v FC of T* (1931) 45 CLR 224. *Taxation Ruling TR 2003/5*, in **paragraph 7**, contains the meaning of “public benevolent institution”, when it will constitute a charitable institution, and when it will be considered “in Australia” (for DGR purposes). These are all tests that have been met by the General Gumala Foundation as it has received Australian Taxation Office (“ATO”) endorsement, both as an income tax exempt charity (“ITEC”) and a DGR.

An outline only of applicable principles follows.

- In order to be endorsed as a PBI by the ATO, it is essential that the objects clauses of the relevant deed clearly define the nature of the welfare oriented activities. In addition, there has to be a clause providing that any surplus remaining is distributed to another PBI in the event of the winding up of the entity. This provision overlaps with the requirement for endorsement as a deductible gift recipient. In order to maintain the status, the objects must reflect what is actually done.
- It is not sufficient that the objects state that a Foundation exists to essentially relieve poverty, suffering and distress. The activities must follow and reflect those objects.

Thus, the core basis for any foundation to be granted and maintain tax exempt status must be its objects and winding up clause recorded in its Deed of Governance.

The objects of the General Gumala Foundation are set out in *clause 3* of the Trust Deed:

3.1 The Foundation is established as a public benevolent institution for the objects of the relief of poverty, sickness, suffering, distress, misfortune or destitution of the Traditional Owners, particularly those Traditional Owners residing in the Region.

3.2 The Foundation is to be carried out without purpose of private gain.

3.3 The Foundation is established for the benefit of the Traditional Owners.

3.4 Without limiting the generality of the Objects referred to in clause 3.1, by way of illustration and example of those objects, it is recorded that the Foundation may pursue the following objectives provided they fall within the Objects:-

- (1) to seek to bring lasting and tangible benefits to the Traditional Owners;*
- (2) to improve the housing, living conditions, health and general standards of living of the Traditional Owners;*
- (3) to provide for or undertaking of training and education of Traditional Owners;*
- (4) to establish training centres to carry on the training and education of Traditional Owners;*
- (5) to assist the Traditional Owners in becoming economically independent whether by the acquisition or establishment of economic enterprises or interests therein or otherwise;*
- (6) to assist the Traditional Owners in the acquisition, development and establishment of homeland communities within the Claim Area;*
- (7) to fund, administer or otherwise assist in connection with the development and implementation of Community Projects;*
- (8) to invest portions of the Trust Fund for the long-term benefit of the Traditional Owners; and*
- (9) to assist the Traditional Owners in asserting and maintaining their traditional rights to land and otherwise."*

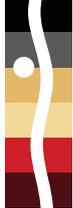
The Australian Charities and Not-for-Profits Commission (ACNC) now has responsibility for the regulation of charities and not-for-profit entities. The General Gumala Foundation has been automatically registered with the ACNC as a charity endorsed for all ATO concessions.

The Trustee was concerned that some of the Beneficiaries were not aware of the implications associated with carrying PBI and DGR status. For example, they do not view the reluctance to disburse substantial amounts of cash as a matter of compliance with the Trust Deed.

There have been occasions on which Beneficiaries have been encouraged to believe that at the vesting date in 2077 the balance of the General Gumala Foundation's assets will be distributed among the Beneficiaries as they exist at that time. The winding up clause in the Trust Deed explicitly meets the test outlined above.

This is an area that demonstrated the pressing need for increased awareness among Beneficiaries of the Trust Deed provisions and their practical meaning and was a major source of the Trustee's desire to engage more directly with Beneficiaries and to expand opportunities for consultation. GIPL has acted on this directly since 2011. Various of these consultation efforts are the subject of this Report. Refer to Section 4 of this Report.

It was in large part the awareness of this need for higher levels of engagement and exchange, that led the GIPL Board to prefer the methodology applied to this Review. Whereas, in the two previous Reviews the decision had been taken to contract out the conducting of the consultation sessions required under *Clause 33* of the Trust Deed, the current Board decided to undertake those elements directly. This presented important opportunities to inform and educate the Foundation Beneficiaries including, about the requirements of maintaining the Charitable Trust Status of the Foundation. They were also opportunities to gently challenge Beneficiaries to make their own judgements on the often competing demands and expectations among themselves in respect of the allocation of funds between Income Utilisation Categories.



Outline of issues

OUTLINE OF ISSUES TO BE CONSIDERED IN RESPECT OF ANY CHANGES TO THE STRUCTURE OF THE FOUNDATION

Summary of matters to be considered:

The trustee, of course, cannot relieve itself of its duties unless it is permitted to resign and it is satisfied that adequate provisions are in place to protect the interests of the Beneficiaries.

The Trustee has obligations to ensure that any proposal relating to a restructure to be put to the Beneficiaries from the Manager, is within the terms of the Trust Deed and that the Manager has carefully and prudently considered all the requirements necessary. In particular *Clause 26* being:

- the amendments are within the Objects;
- they will assist in the provision of long-term benefits in a tangible manner to Traditional Owners; and,
- they incorporated sufficient controls and safeguards to adequately protect the Beneficiaries.

The General Gumala Foundation is also a charitable trust and so its objects **and its activities** are paramount in ensuring that it maintains its tax advantaged status as required by *Clause 26* of the Trust Deed.

The Trustee should obtain an opinion:

- To assess any impact that a change of judicial emphasis on construing trust deeds may have had in respect of any previous opinion(s);
- if any entity that is to be Trustee is to conduct other activities then an opinion on whether the requirement for the Trustee to operate only as Trustee of the Foundation can be deleted is essential. This is because **(Clause 28.1(2)(a) of the Trust Deed explicitly requires that: “the Company’s (GIPL) sole activity must be to act as Trustee of the Foundation...”**.

There is a fundamental interconnectedness between entities of the Foundation, the terms of the Trust Deed and the terms of the Yandi Land Use Agreement. One particular aspect of this interconnectedness is demonstrated as follows:

- GAC was the entity that represented the Gumala Peoples, who are the original inhabitants of areas in the Central Pilbara in the negotiations over the Yandi Land Use Agreement. It is noted in **Clause 2.11 of the Yandi Land Use Agreement** that:

“Before entering into this Agreement, Gumala, the Registered Claimants and the Traditional Owners have received detailed and understandable legal and professional commercial advice on the effects of the rights, obligations and liabilities of each of the parties that are created by it”,

- The YLUA then further defines “Gumala” as “the entity so described as party to this Agreement and any successor to that entity **acting for and on behalf of the Gumala Peoples**”.

“Gumala Peoples” means “the Bunjima, Innawonga and Niapiarli Peoples including the Traditional Owners and the Registered Claimants”.

- Therefore any sole entity that is not GAC must be an entity that acts for and on behalf of the Gumala Peoples and so must be endorsed as such by the Beneficiaries whether in their capacity as Beneficiaries or as “Gumala Peoples”. So if a new entity will be accepted as acting on behalf of and representing the Gumala Peoples, then that entity would have to receive an assignment of the rights under the Yandi Land Use Agreement.

- In order to receive that, in accordance with **Clause 7.3(f)** of the YLUA, RTIO must agree to that assignment in writing:

“Gumala, the Registered Claimants and the Traditional Owners will not assign or attempt to assign the benefit of this Agreement or any part of it to any person without Hamersley’s agreement in writing”.

Accordingly, it is necessary for the Trustee to know what is intended to happen to GAC and what the timeframe for transferring assets, etc is to be if it is not to be continued as an entity in any future restructure proposal. If it is to be continued but is neither the Manager or the Trustee what would it do?

Any Restructure Proposal will be prepared in an environment of regulatory and legislative change. From the point where the new structure and the required documents are settled, any ACNC and ATO issues that may have arisen have to be considered.

- Consideration of possible requirement to obtain Private Binding Ruling from the ATO – dependant on terms of any proposed Restructure Proposal. Both Gumala Aboriginal Corporation and Gumala Investments Pty Ltd are registered charities that are entitled to significant tax concessions. The regulation of these has now been moved to the ACNC, but not determination of tax exempt status
- An additional matter relating to any decision to apply for an ATO Ruling must be what is intended to be effected between GAC and GAC's related entities, for example, Gumala Enterprises Pty Ltd is an Australian private company with an ABN of 950 799 829 88 and trading names of Gumala Contracting, Gumala Hire and Gumala Services. It is also the Trustee of the Gumala Enterprises Trust with an ABN of 835 140 570 96 with a trading name of Gumala Contracting. It engages in joint venture activities whether acting on its own account or as trustee of the Gumala Enterprises Trust.
- What is intended to occur in respect of these entities and any continuing business, including the complex arrangements that relate to the Karijini Eco Retreat (KER) cannot be ignored.

Realistic Timeframes

Consideration required for a realistic timetable for the development of any New Restructure Proposal, which considers structural changes to the Foundation including to combine the roles of Gumala Investments Pty Ltd ("GIPL"), the Trustee, and Gumala Aboriginal Corporation ("GAC"), the Manager, into the one entity, or the transfer of any of the Trustee's obligations to the Manager. A timetable must be based on:

- a realistic time frame for legal advisers to "test" the concept plan, draw up a new trust deed, and various amending documents, and Constitution/Articles of Association or new Rule Book;
- careful consideration to whether any ATO Ruling or specialist opinion, including legal or financial are required; and
- for independent costing of that final form of agreed restructure to occur.
- Then time must be allocated for "last minute" adjustments and costings.
- The time requirements for giving notice for EGMs, for providing opportunities for consultation and for printing, collation and posting, etc of Beneficiary notifications must be calculated.

Based on the timings of the 2011 Restructure Proposal, 8 lawyers took between 12 May 2011 and 16 June 2011, to draft the relevant documentation, prepare required opinions and attend to all incidental matters. The documents, in fact, were all prepared by Ashurst (Blake Dawson) and they had 4 to 5 lawyers working on their drafting team and were responsible for document version control. There were a further 3 lawyers engaged between GAC and GIPL all working extended hours, nights and all weekends up to the EGM of 25 June 2011.

History of the *Proposal* received on 23 November 2012 (2012 Restructure Proposal)

GIPL/The Trustee was alerted to the potential for a proposal for a "GAC/GIPL merger" aka restructure on 23 November 2012 by letter from GAC/The Manager. GAC, as Manager, had some meetings with Beneficiaries during a "Listening Tour" that indicated a restructure in which the functions of the Trustee and the Manager were embedded in one entity instead of separate entities was to be reconsidered.

The idea of a restructure was raised with RTIO in the context of the Yandi Land Use Agreement review. RTIO's response was that they were on record as supporting the original 2011 Restructure Proposal but had seen no terms of reference, cost arrangements, consultations or timelines regarding this 2012 Restructure Proposal.

There had been no indication to the Trustee during its Beneficiary Consultation Meetings held in June, July that Beneficiaries sought such a change to the Deed. The matter had been put to the Beneficiaries 18 months previously and they had rejected it. Subsequently, in response to information from GAC that they had advised Beneficiaries, a letter to the Beneficiaries was prepared by the Trustee/GIPL and presented to the Beneficiaries at the Annual General Meeting in December, where no Beneficiary had raised the issue for consideration at the meeting.

Accordingly, this idea formed a "proposal" from the Manager which the Trustee needed to consider.

Why this was considered a "proposal".

- The Manager is responsible for developing, researching and preparing proposals for investments, community projects and other matters falling within the Objects of the Foundation for the purpose of the application of the Trust Fund (*Clause 4.4(2)*).
- The Trustee is required to take proper steps to ensure that the Manager acts in accordance with the Deed and in reviewing the proposal:
 - determine whether such proposals are in accordance with the terms of the Deed; and
 - ensure that the Manager in formulating those proposals is acting prudently and carefully, in a workmanlike manner with reasonable due diligence.
- The Trustee must consider the proposal promptly (*Clause 4.7(1)*).

Accordingly, as such a change required a significant application of the Trust Fund, the Trustee had obligations to ensure that any proposal relating to a restructure to be put to the Beneficiaries at the instigation of the Manager, was within the terms of the Trust Deed and that the Manager had carefully and prudently considered all the requirements necessary.

In doing so, a further issue arose in relation to the continued existence of GAC, or an entity representing the Gumala Peoples, detailed above, which the Trustee required to be considered.

In the 2012 Restructure Proposal the potential amendment combined the Trustee's and Manager's functions into one entity which would be a significant change to the structure of the Foundation as these had clearly been deliberately separated. Accordingly as there was no separate Trustee proposed and therefore significant "checks and balances" built into the existing trust structure would not exist, a barrister's opinion was sought, the terms of the brief being agreed by GAC and GIPL, to consider whether such an amendment was permitted under the Trust Deed and Trust Law. The barrister carefully reasoned opinion was that an amendment as proposed was not permitted.



OVERVIEW: OBJECTIVES, SCOPE & PROCESS OF THE REVIEW

The purpose of the Review was to enable the Trustee to meet its responsibilities under *Clause 33.3* of the Trust Deed. It was intended to be a compilation and reference in order to provide a summary of the implementation of the changes the Trustee has made to the operation of the General Gumala Foundation including:

- ensuring compliance with the Trust Deed; and
- ensuring that the current policies for the provision of benefits to the Beneficiaries in accordance with the requirements of the Trust Deed.

Accordingly, the focus of the consultation with the Beneficiaries was the measures that the Trustee has taken to improve compliance with the Trust Deed and the measures that the Trustee and Manager have taken to improve the functioning of the Foundation.

The report is designed to contain and provide:

- an understanding of the background and processes of this Review;
- an explanation of the consultation process and a record of the information being provided to the Trustee during that process;
- a detailed account of the measures taken by the Trustee to improve compliance with the Trust Deed;
- a detailed record of the measures taken by both the Trustee and the Manager to improve the functioning of the Foundation.

In preparing this report it is assumed as being understood by the reader that the efforts leading to the Extraordinary General Meeting of 25 June 2011, where a proposed restructure for the Foundation, that included reinstatement of the Advisory Trustee, was submitted to the Beneficiaries and rejected, occupied a significant degree of resources of both the Trustee and the Manager between August 2008 and June 2011.

Listed below are the main events of that time:

- The Second Review of the General Gumala Foundation: Parakeelya Report – 27 August 2008
- Reports of the examinations by the Office of the Registrar of Indigenous Corporations of GAC, GIPL, GEPL and Gumala Tourism (ORIC Reports) – August 2009
- Second Review of the Yandi Land Use Agreement (Chaney/Lennon Report) – 3 December 2009
- Implementation Working Group – established by a Deed of Agreement between Rio Tinto, GIPL and GAC. Mr A Collett appointed as consultant for implementation process of the Recommendations of the Parakeelya Report and ORIC Reports - July to December 2010
- Implementation Report: Collett – 23 December 2010
- Joint meetings GAC and GIPL seeking “way forward” for Foundation; culminating in an agreement to propose that the Trust Deed be amended so that there would be a single governing entity having the functions of both Manager and Trustee, and the reintroduction of an Advisory Trustee – February 2011
- Agreement on timeline for the Proposed Restructure – 25 March 2011
- Negotiations on the legal form of the Restructure – Early April 2011 through May 2011
- Agreement between GAC and GIPL for the Appointment of PwC to provide “overarching” due diligence report of Foundation and all connected and related entities – 2 April 2011 to end May 2011
- Extraordinary General Meeting of Beneficiaries – 25 June 2011
 - Restructure proposal rejected.
 - This rejection was accepted as a clear message from the Beneficiaries that the Foundation was to concentrate on core issues being the management of the funds invested to provide for benefits for future generations of Beneficiaries and the provision of benefits, in accordance with the Objects of the Foundation, for current Beneficiaries.

Accordingly, it is only since that date in the Review Period that the Trustee and the Manager have been able to focus on the core operation and requirements of the General Gumala Foundation. Therefore the Trustee has extended the Review Period beyond the 5 years required in the Trust Deed in order to properly and accurately record the current position of the General Gumala Foundation. This decision has enabled the Trustee to “look forward” and assess future directions from a true position.

THE TERMS OF REFERENCE OF THE REVIEW AND THE REVIEW PROCESS

This is the Third Review of the General Gumala Foundation (“Review”). The Terms of Reference for the Review are:

1. *Comply with the requirements of clause 33 of the Trust Deed.*
2. *Satisfy the requirements of clause 33.1(1) by including meetings and consultations between the Trustee and Beneficiaries.*
3. *Satisfy the requirements of clause 33.1(2) by including meetings and consultations between the Trustee and the Manager.*
4. *Satisfy the requirements of clause 33.2 by providing a report which sets out:*
 - 4.1 *The results of the Review;*
 - 4.2 *Recommendations for the better administration of the Foundation if required; and,*
 - 4.3 *Where appropriate, recommendations regarding amendments to the Trust Deed for consideration by the Trustee.*
5. *The report will also address and make any necessary recommendations on:*
 - 5.1 *The proposal for restructure of the Foundation submitted to the Extraordinary General Meeting held on 25 June 2011.*
 - 5.2 *The measures taken by the Trustee to improve compliance with the Trust Deed.*
 - 5.3 *Current policies for the provision of benefits to the Beneficiaries and the administration of the Foundation in accordance with the requirements of the Trust Deed.*
 - 5.4 *Any additional measures which may be considered by the Trustee to improve the governance and effectiveness of the Foundation in serving its Beneficiaries in accordance with the Trust Deed.*
6. *The meetings and consultations shall focus upon:*
 - 6.1 *The measures taken by the Trustee to improve compliance with the Trust Deed; and*
 - 6.2 *The measures by the Trustee and Manager to improve the functioning of the Foundation.”*

The Review focused on the Trust Deed and the business of the Foundation and was undertaken to identify whether implementation of detailed policies and procedures in respect of the governance obligations of the Trustee has resulted in the more effective functioning of the General Gumala Foundation. In order to meet the Terms of Reference the Review considered the following aspects of the governance of the Foundation:

- the procedures required to ensure services and resources are delivered in a manner that reflects the diverse requirements of the Beneficiaries;
- the focus of the Trustee on opportunities for active participation of all Beneficiaries in the Foundation affairs to achieve accessible and broadly based participation in order to provide capacity building outcomes, particularly for those Beneficiaries in decision making roles; and
- the concerted effort by the Trustee to engage in and manage a direct relationship between the Foundation and Beneficiaries.

The factors taken into account by the Trustee when it decided not to engage an external reviewer, i.e. Parakeelya, or a similar entity:

- There was a clear indication captured in the recommendations of the Parakeelya and Chaney/Lennon Reports that direct contact with the Beneficiaries and a structured consultative process was the most appropriate way for the Trustee to proceed. The Trustee had received immediate positive feedback with respect to the appreciation of direct engagement by the Trustee in the consultations held with the Beneficiaries prior to the 25 June 2011 meeting and the November 2011 AGM.
- The extent of Foundation funds spent on external reviews in preparation for the implementation for the restructure proposal that did not proceed.
- The Trustee acceptance of the recommendations of the external reviewers (e.g. PwC, Mercers) which were made in preparation of the 2011 Restructure Proposal. These reports in turn highlighted recommendations from Parakeelya in respect of governance arrangements of the Foundation. These formed the basis for the implementation of the Good Governance Reform Program.
- The evolving levels of collaboration with which GAC and GIPL have conducted the operation of the Foundation since 25 June 2011.

The Trustee wished to build on the cooperative relationship by directly engaging with the Beneficiaries through the consultation process in order to accurately determine the concerns of the Beneficiaries specifically with respect to the Income Utilisation Categories and to ensure that the Beneficiaries were appropriately informed of the new governance arrangements that had been implemented by the Trustee.

A Trust Review Working Group was set up to:

- develop the terms of reference;
- determine how best to approach the current required review; and
- determine how the review was to be conducted.

The Working Group included representation from the Trustee being 3 directors and their nominees.

GIPL sought advice from their legal advisers on how best to formulate the terms of reference which were to reflect the measures taken by the Trustee to ensure and improve compliance with the Trust Deed and the measures by the Trustee and the Manager to improve the functioning of the Foundation.

As a result of the intensive work with external reviewers associated with the 2011 Restructure Proposal, the Trustee considered that most of the essential work required for the review of the Foundation in accordance with clause 33 of the Trust Deed had in fact been completed and it was not essential to duplicate that process.

The Trustee considered that consultation with the Beneficiaries was an essential part of the review in order to clarify the roles of GIPL (Trustee) and GAC (Manager) and to hear at first hand from the Beneficiaries their requirements and expectations with respect to the governance of the Foundation and the distribution of the Foundation funds.

In addition to hearing directly from the Beneficiaries on their requests and expectations direct consultation with Beneficiaries offered an excellent opportunity for the Trustee to address a range of misunderstandings held by some Beneficiaries including:

- a general lack of understanding of the respective roles of Trustee and Manager as recorded in the Trust Deed;
- basic structure of the Trust Deed including the arrangement regarding the seven Income Utilisation Categories and the requirement that a program correspond with an IUC;
- that there was limited understanding that the funds of the Foundation were not limitless;
- the advantages of the PBI status;
- the restrictions contained in the Trust Deed on the payment of cash benefits;
- the incorrect view held by some Beneficiaries that it was possible for the Foundation to be wound up and the Trust Funds distributed amongst living Beneficiaries. This is not possible in a charitable trust. Refer Section 2D.

The Trustee saw this as a unique opportunity for capacity building for Beneficiaries, generally, regarding the governance arrangements for the Foundation. The Trustee had already provided significant assistance with respect to capacity building for those Beneficiaries in decision making roles, i.e. directors, etc.

The Trustee engaged in consultation with the Manager during the review process on 15 October 2012 and 31 July 2013. In October 2012 the Manager was provided with comments from Beneficiaries that had been made during the June and July Consultations specifically relating to GAC.

The July 2013 consultation was over key elements of the draft Report and prior to the framing of the Recommendations.

These consultations with the Manager were conducted in order to foster the evolving co-operation between the Trustee and the Manager as they are not required under the terms of the Trust Deed. Clause 33 specifies consultation with the Manager on presentation of the Report of the review.



BENEFICIARY CONSULTATION INCLUDING FRAMEWORK AND CONSOLIDATED SUMMARY OF BENEFICIARY CONSULTATION OUTCOMES

CONSULTATION PLANNING

The Trustee considered that the opportunity for Beneficiaries to contribute to the review was essential as this was the first review after the rejection of the Restructure Proposal at the EGM on 25 June 2011.

The primary focus for consultation were the Gumala peoples:

- Bunjima language group;
- Innawonga language group; and
- Niapaili language group.

The input of these Beneficiaries of the Foundation, was gathered through a consultative programme which was developed by the Foundation Review Working Group in consultation with an independent party, who was engaged as a facilitator for the series of consultation meetings held between June and July 2012 and then further in December 2012. The program was developed across May 2012. At each point decisions were referred back to the Board of GIPL for final determination and consultation.

The Trustee was insistent that the structure of each consultation be consistent and so a uniform approach was developed in order to capture responses of the Beneficiaries, in a meaningful manner.

Appointment Process for Facilitator

- Susan Kroening of the Professional Facilitators International was sourced for the consultation forums associated with the Clause 33 Review. She was referred by the Manager, GAC, as she had successfully facilitated an event for them and was available for the consultation round in June and July.
- During May she designed the process and consulted with the Trustee so that the data collection aligned with the requirements of the Terms of Reference.
- In May the arrangements were finalised at the GIPL Board Meeting in Karratha, including :
 - Timetable for consultations to be held in Perth, Geraldton, Port Hedland, Karratha and Tom Price;
 - Mail Outs to all Beneficiaries; and
 - The appointment of Ms Kroening to facilitate the consultation sessions.

Outline of Consistent Approach to Beneficiary Consultations

The process of organising and determining the methodology to facilitate the meetings was commenced in May of 2012 with the Review Working Group meeting on a regular basis. Essentially the meetings reviewed the Terms of Reference to determine how the consultations needed to be structured. During the course of this preliminary engagement, the independent facilitator took significant time to understand the concept of the Income Utilisation Categories, and the requirement for the Directors of GIPL to ensure that the Beneficiaries understood the documentation and obligations in relation to Good Governance of the Foundation that had been adopted by the Board of GIPL.

The GIPL Board as a whole was engaged in the oversight of the decisions in respect of the process and were actively engaged in the actual consultations. The Chair attended all consultations and other Board representatives attended and engaged directly with the Beneficiaries eg in explaining the Foundations investment strategy etc

On the advice of the facilitator, a visual representation of the different categories was created so that all categories could be easily identified. It was agreed to call them "Buckets" i.e. a "bucket" for each Income Utilisation Category refer photos attached. The photos illustrate how the "buckets" were represented; i.e. with the detail applicable for the relevant IUC and an estimate of the Foundation funds spent in each Category in the 2012 financial year.

In summary, the process of determining a Beneficiary's preferred allocation of funds was "interactive" and non-confrontational.

- Each Beneficiary was provided with the necessary time required to consider carefully how they wished to indicate their preference regarding how the trust income should be allocated.
- They were required to choose more than one category but not all.
- A decision about which spending category(s) was most important to them had to be made by them.
- If an increase in the current percentage applicable to the IUC was desired then the Beneficiary had to nominate which category would be correspondingly reduced.
- All Beneficiaries were required to nominate a preferred form of contact, i.e. email, post, fax, website, radio.

General comments in respect of both GIPL and GAC were recorded separately and provided to the respective Boards.



A series of consultation meetings with Gumala Beneficiaries were scheduled in regional locations across June and July 2012 and then again in December 2012. Susan Kroening was engaged to facilitate the meetings. As noted above the purpose of the meetings was to update Beneficiaries as to the Trustee's management activities and most importantly gain feedback from the Beneficiaries as to how the different Income Utilisation Categories of Section 8 of the Trust Deed were serving the Beneficiaries.

The facilitator adopted a consistent approach to the capture and reporting of the comments received from Beneficiaries in the various consultation meetings. The detailed Consultation Summary which follows captures the methodology utilised by the facilitator for the six different meetings and feedback from the Beneficiaries in attendance in respect of the Income Utilisation Categories of the Trust Deed and compliance activities undertaken by the Trustee.

Frequently there were comments and feedback offered about GAC, the Manager and its activities. These were recorded and summarised separately. These comments from the round of regional meetings in June and July 2012 were reported directly to the GAC Board on 15 October 2012 when a summary report prepared by the facilitator was discussed with the GAC Board at a joint session with GIPL. At that meeting the Trustee expressed concern at the relatively small number of Beneficiaries who had attended the regional meetings (See below). These concerns were shared by the Manager and acknowledged by the Trustee.

- The number of Beneficiaries consulted during the consultation meetings June and July 2011 amounted to 52. This is a low number given that there were 1208 listed adult Beneficiaries. However, it is a similar number to the number of Beneficiaries consulted by Parakeelya in their first round consultation. Parakeelya then decided that that was an insufficient number to provide a true reflection of Beneficiaries' interests and so conducted a second series of consultation meetings and also did a door knock consultation.

Because of the structured format of the Beneficiary consultations for this Review, a door knock was not suitable. In total Parakeelya consulted with around 137 Beneficiaries which constituted 18% of the adult Beneficiary population. They concluded that statistically this was a valid sample size as the responses were becoming repetitive.

In order to achieve more representative and widespread input to the consultation process, the Trustee resolved to conduct a further consultation with Beneficiaries to coincide with its AGM to be held on 2 December 2012 in Tom Price. Of advantage in securing a strong attendance was the intention to pay the reasonable costs of Beneficiaries for attendance at a consultation meeting to coincide with the AGM. A similar arrangement with Beneficiaries had proved both successful and popular in November 2011 in Port Hedland.

The independent facilitator agreed for her engagement to be extended to continue to apply the agreed methodology for the December 2012 Beneficiary Consultation.

This resulted in a consultation with 268 Beneficiaries which, even after extracting the possible overlap of the 52 Beneficiaries consulted during June and July 2012 resulted in a sample size of 22% of adult Beneficiaries. This exceeds the proportion consulted by Parakeelya, who had concluded that statistically they had a valid sample size as the responses from Beneficiaries were repetitive. Therefore applying the same principle the Trustee concluded that it had obtained a valid sample size. In addition the structured format of the Beneficiary Consultations for this Review which informed the "face to face" interaction with the Beneficiaries by the Directors of the Trustee, ensured that the basis of the consultation was consistent and accordingly further underpinned the validity of the sampling.

It had been intended by GIPL for the consultation meeting planned for December 2012 to be a forum for discussion and exchange over the final report of the Review. The consequence of the decision to extend the consultation process from July to December 2012 was a significant extension of the Review period which was originally intended to conclude by August 2012.

SUMMARY OF CONSULTATION OUTCOMES

The independent facilitator prepared two summaries of the consultation meetings.

- The first addressed the regional meetings held in June and July of 2012 and was intended for sharing with the GAC Board. This summary included an Appendix providing feedback of general comments received relevant to GAC.
- A second summary was prepared from the much larger meeting on 2 December 2012. This summary was also shared with GAC as soon as it was available in early 2013.

A consolidated summary of all consultations which contains an outline of the meeting process and methodology is attached. Refer photographs that illustrate the consultation methodology.



GGF BENEFICIARIES TRUST DEED CONSULTATION (JUNE - JULY 2012 and DECEMBER 2012)

Summary:

Gumala Investments P/L (GIPL) as Trustee of the GGF organized a series of consultation meetings with Gumala Beneficiaries in June-July 2012. Susan Kroening of The Professional Facilitators International (“the Facilitator”) was engaged to facilitate the meetings. The purpose of the meetings was to update Beneficiaries as to the Trustee’s Compliance Activities and most importantly gain feedback from the Beneficiaries as to how the different Income Utilization Categories were serving the Beneficiaries.

This document captures the methodology, utilised by the Facilitator, for the 6 different meetings, and feedback from the Beneficiaries in attendance, about the Income Utilisation Categories and Compliance Activities undertaken by the Trustee. Frequently there were comments and feedback offered about GAC (Gumala Aboriginal Corporation) activities as Manager of the GGF. These were recorded and provided to the GAC Board at a meeting on 15 October 2012.

Because attendance at the regional meetings held in June and July of 2012 was limited, the GIPL Board decided to hold an additional meeting to occur on the day of its AGM on 2 December 2012. This was successful in securing much broader input with about 270 Beneficiaries attending. However, it did incur a 6 month delay in the completion of consultations.

Contents:

I: Meeting Methodology used for GIPL consultation meetings –June-July 2012 with Gumala Beneficiaries

II: Table Summarising attendees opinion regarding the most important income utilization categories

III: Executive Summary of feedback and comments regarding Income Utilization Categories

IV: Breakdown of Meeting Comments and Feedback by Location

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V: Language Group Analysis (2 December 2012)

VI: Preferred Methods of Communication



3 hour MEETING METHODOLOGY for GIPL consultation meetings –June-July and December 2012 with Gumala Foundation Beneficiaries

Timing	Methodology Note:	Whom
	<p>The June 22, 25, July 9, 10 & 12 and December 2 meetings were a GIPL Trustee Initiative to consult with the Beneficiaries about GIPL activities. However, when Beneficiaries, asked questions or made comments about GGF programs and processes – the facilitator – Susan Kroening, highlighted to the Beneficiaries that these specific comments were not related to the GIPL agenda. She also offered to capture the information as the participants felt the ideas offered were of value and should be fed back to the GAC Board of Directors. Once the comments were captured, Susan then redirected the conversation back to the GIPL agenda. The comments related to GAC were provided as an Appendix to a Consultation Summary which was discussed with the GAC Board at a meeting on 15 October 2012.</p>	
Approx. 20 minutes	<p>Welcome & Introductions Recap Year's Achievements Review Meeting Purpose</p>	GIPL Chair or Director
Approx. 10 minutes	<p>Establish Meeting Protocol/rules Table Meeting Agenda and Proposed Process</p>	Facilitator Susan Kroening
Approx. 90 minutes	<ul style="list-style-type: none"> Examining Functioning of Income Utilisation Categories (the dot points represent in brief 'the script' that was used by the Facilitator. These are the 7 'buckets' – Income Utilisation Categories under the Trust Deed: Investments, Community Development, Education and Training, Health and Wellbeing, Business Development, Culture and Other. Discussion clarifying what programs fit in the different income utilisation categories. STICKY CIRCLE INDICATION: please place your 3 sticky dots to indicate, in your opinion, which is the most important bucket to deliver for Gumala Beneficiaries? Explanation of Trustee's 2011 investment activities and philosophies by GIPL Director. Investments: Let's talk about investments first. This is for your kids. This is for the future. Knowing that the mine is not going to be there forever, is this % enough? If not, how do you suggest changing the %'s ? What % do you want? Where is it going to come from? Go through the other 6 buckets: Are these the right buckets? Is there anything else that is critical that is missing? Are these the right %'s? If a % for an IUC (Bucket) is to be increased, which IUC (Bucket) should be decreased? Do you have any suggestions as to how the service delivery of the 7 - Income Utilisation Categories/Buckets could be improved? 	Facilitator Susan Kroening
10 minute tea break		
Approx. 50 minutes	<ul style="list-style-type: none"> Reviewing Trustee's Compliance Activities undertaken by GIPL Board of Directors Have you seen the 2011 Annual Report – which was the first ever issued? Summary of Trustee activities by Chair or Board Member. Is there anything in the Annual Report you want to discuss? Any improvements you want to suggest are made to the Annual Report ? What else do you need from us, the Trustees, to help you understand how things are being managed? The website will soon be on line – but are there other ways you would like us to communicate with you so you can get the information you need? STICKY CIRCLE INDICATION: please place your 2 sticky dots to indicate your preference as to how we, GIPL, should communicate with you: mail email fax website radio 	Facilitator Susan Kroening
	<ul style="list-style-type: none"> Thank you for coming and offering us these ideas. Closing 1-2 minute statement from GIPL Chair or other GIPL Board Director to end Meeting 	GIPL Chair or Director

II: SUMMARY: Which is the most important income utilization category ('bucket') to deliver for Gumala Beneficiaries?

While the December 2 meeting was much larger than the meetings in June and July the comments received largely mirrored the feedback from the earlier meetings including an emphasis upon:

- The importance of Lore and Culture
- Health and Wellbeing
- Community Development – focusing on infrastructure.
- In the Summary below the comments in the right hand column are attributed to the meeting at which they were raised. Please note that there were two meetings in Tom Price.

PROCESS: Each Beneficiary in attendance, received some sticky circles to place on the buckets to indicate their answer to the following question: Which is the most important 'bucket' to deliver for Gumala Beneficiaries?

Some suggestions were made at the different meetings as to how the %'s might be re-apportioned

INCOME UTILISATION CATEGORY	TOTAL of 6 locations	PERTH June 22, 2012	GERALDTON June 25, 2012	PORT HEDLAND July 9, 2012	KARRATHA July 10, 2012	TOM PRICE July 12, 2012	TOM PRICE Dec 2, 2012
INVESTMENTS not less than 40%	54	12	7	0	4	7	24

- (PORT HEDLAND) Drop to 30%
- Then distribute the 10% by moving 5% to Business Development and 5% to Health & Wellbeing

COMMUNITY DEVELOPMENT not less than 20%	63	13	5	5	2	13	25
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- (PORT HEDLAND) Drop to 15%
- Then distribute the 5% to Health and Wellbeing

EDUCATION & TRAINING not less than 10%	145	17	14	9	4	7	94
HEALTH & WELLBEING not less than 10%	248	14	14	19	5	0	196

- (PORT HEDLAND) Increase to 20% - receiving 5% from Community Development and 5% from Investments.
- (TOM PRICE, Dec 2012) If we take the amount of \$3.7 million and divide it by 1250 members that would mean \$2960.00 per person.

BUSINESS DEVELOPMENT not less than 10%	36	4	0	12	0	1	19
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- (PERTH) Until Health and Housing is in place – we aren't really ready/inclined to access Business Development therefore we could lower the % in Business Development and Community Development and use these to increase Health and Housing and Education activities
- (GERALDTON) Drop by 2% & put in Education or Health & Wellbeing
- (PORT HEDLAND) Build to 15%
- (TOM PRICE Dec 2012) We would like more feedback as to the % of utilisation in the business development category and what is being done.

CULTURE not more than 5%	197	0	16	0	3	1	177
OTHER not more than 5%	7	3	0	0	0	1	4

- (GERALDTON) Drop to 3% and give 2% to culture.

III: EXECUTIVE SUMMARY:

Collation of Beneficiaries' Feedback in Relation to the Income Utilisation Categories (IUC), Investments, Compliance & Annual Reports

COLLATION OF BENEFICIARIES COMMENTS, FEEDBACK and QUESTIONS from all the MEETINGS June 22, 25, July 9, 10 & 12 and December 2, 2012

IUC: INVESTMENTS	<ul style="list-style-type: none"> • People were interested in the idea of accommodation/ short term stay flats being available for beneficiaries when they need to come to Perth to visit family members in the hospital • What are the plans to educate people so they are better skilled to manage investments?
IUC: COMMUNITY DEVELOPMENT	<ul style="list-style-type: none"> • We need a place where we can meet and tell our stories, do our art • It would be good to be able to pay GIPL for houses instead of Homes West. • There needs to be more development in Onslow. • Do we have the right people doing business on our behalf? • We need to continue building ongoing community support and structures such as the elderly complex. • We need to ensure that resources are distributed more evenly. • People need help regardless of being in a particular community or language group. • We need to address homelessness. • GIPL and GAC need to work with the Local, State and Federal Governments to engage them in securing additional funding <ul style="list-style-type: none"> – there should be other resources available to build infrastructure. • We need to ensure we are united in our approach. • We urgently need houses, dialysis, air conditioning. • We need structures to support social and meeting with each other. • We are concerned about 'land tenure'.
IUC: EDUCATION & TRAINING	<ul style="list-style-type: none"> • See comment in investments section (above) re educating people about investments. • This bucket needs to expand to include the idea of how we can assist people gaining employment. We need training that assists adults and young people get skills that help them be employable: • We need to help families get easier access to computers. • We need after school programs for our children to assist them learning.
IUC: HEALTH AND WELLBEING	<ul style="list-style-type: none"> • Health and Wellbeing should be our key focus – we need to increase this %. • Regret was expressed about the reduction in this category. • We should pay the \$60.00 St John's Ambulance insurance fee for each member in advance. By doing this we would ensure ambulance costs won't unnecessarily escalate. • We could purchase private health care for people. • How come our Elders and people with disabilities can't have private health care? • More monies to go to people with disabilities. • We need more resources, support and health education. • How can a policy be created to allow for monies to be transferred between the categories – perhaps the monies should be set up as a total per head – and then I can choose how to allocate. • Our costs of living have gone up – we have had electricity and water bills increased. • Coles cards – won't work at IGA! What about people who aren't close to Coles Grocery stores? • If we were to set up an AMS (Aboriginal Medical Service) it can access monies through funding from outside of GIPL and GAC (an example is Ashburton). • Let's tap into support from places like Vision Australia to better serve our health needs
IUC: BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> • Funds that currently go to Karijini need to go to different business development activities. • It would be good to have a communal workshop where we could do our art from and some assistance with art materials. • Are there ways we could combine elements of culture, heritage and also offering cultural education programs at Karijini?

IUC: CULTURE

- We need to look for ways to access culture in urban areas – I am not likely to go to a camp – so could we look at ways of accessing research, creating a library, funding publishing of books/stories? This is important so our history is preserved and made available to urban Indigenous Beneficiaries.
- We would benefit by having programs that went into the schools and provided more culture training for kids. With the loss of culture we lose the respect.
- Are there ways we could combine elements of culture, heritage and also offering cultural education programs at Karijini?
- Lore and Culture monies should not be spent on travel and sitting fees for Directors.
- A number of Elders spoke passionately about the importance of culture. “If you participate in culture and lore – then you know who you are.”

COMPLIANCE & ANNUAL REPORT

- In future annual reports, please provide a list of:
 - a) Investments, and;
 - b) the # of shares held for each investment, and;
 - c) the criteria which were used for selecting the shares, and;
 - d) educate us as to the strategy being used for share selection, and;
 - e) a breakdown of the actual figures for the different shares in the portfolio
- In future issues of annual report - please provide us with more details about Income Utilisation categories, specifically:
 - 1) income utilisation categories and the definitions and activities/programs that sit in the categories
 - 2) more facts about utilisation in the different categories – so we know what programs are most utilised by the different segments/ages –s a way of understanding the needs - include breakdowns as to the trends as to what the different age groups are utilising
 - 3) how many of the 1200 members are utilising the benefits
- Additionally people would like the next Annual Report to include:
 - a summary of this GIPL review in the next annual report
 - more information about Karijini Eco retreat – How is it working? What is happening there?
 - The methodology for determining membership and the systems and processes to update and manage record keeping
 - Please provide longer notice/advice regarding upcoming meeting dates
- For us to offer feedback in the future we need:
 - 1) more information about the different categories and what is included in them
 - 2) figures on the utilisation in the different categories – and this should be provided to us before the meetings so we can think about it in advance

GENERAL COMMENTS

- Are there any particular circumstances where funds can roll over from year to year?
- Funding in the buckets needs to be age appropriate –i.e. Education is mostly focused on young people however, Elders might want a computer.
- Use Gumala Building to provide some meeting space.
- Create meeting space for people to do their art.
- I would like to know what programs are particularly being utilised and by what age groups.
- Need to design programs that take care of and help current parents and grandparents.
- The categories discriminate against employed beneficiaries.
- It is inappropriate that there was not an Elder organised in advance to do the Welcome to Country
- There needs to be a cap put on administration costs
- When the mine ends – the monies need to be fairly and evenly distributed
- We need more data to be able to drill down further in to the financials to understand the allocations in the homeland communities – are the allocations fair.
- How are the beneficiaries in the different homeland communities being supported?
- How specifically have the Niapaili people been consulted with and respected?
- In future it would be good to record the meetings – in audio.
- Let’s look at a system where I can accumulate my monies – and then use for a more expensive item. I don’t want to accumulate/save monies and then have them taken away because I haven’t used them by the cut off date.
- Rather than needing to travel twice to go to meetings every year; why not organise the GAC and GIPL meetings back to back? This would result in 1) more efficient use of our monies and 2) less time off from work.

VENUE ACCESS & TRANSPORT
ISSUES IN RELATION TO
ATTENDANCE AT GIPL FUNCTIONS

- GIPL needs to choose venues with better access – i.e. either ground level or elevator - My mother struggled with climbing up all those stairs
- Many of the Elders don’t have cars or means to get to meetings – can taxi vouchers, buses or some form of transport provided - If I hadn’t been here to bring in my mother and auntie – they wouldn’t be here to give their input

IV: BREAKDOWN of MEETING COMMENTS and FEEDBACK BY LOCATION

Perth Meeting, June 22, 2012 - Key Themes relating to GIPL

The beneficiaries at the Perth meeting seemed to hold the categories of Investments, Community Development, Education and Health as particularly important.

People were very interested in how the funds were being invested in the share market. They wanted more details about the share portfolio, to understand the share selection strategy, amounts held etc and asked what plans were being made in relation to how training could be provided for beneficiaries to becoming skilled enough to manage the investments.

There were some interesting comments offered about how the inability to 'roll over funds' meant that people were limited by short term windows and thus were not able to do some long term planning to better meet their particular educational needs. The comment was made: "I question the value in being told that I must spend my funds or lose them. This reactive approach does not lend itself to wise money management."

COMMENTS / QUESTIONS FROM PERTH ATTENDEES RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

GENERAL COMMENTS	<ul style="list-style-type: none"> • Are there any particular circumstances where funds can roll over from year to year? • Funding in the buckets needs to be broad enough and not discriminate regarding age -ie education is mostly focused on young people, however, Elders might want a computer.
IUC:INVESTMENTS	<ul style="list-style-type: none"> • What are the plans to educate people so they are better skilled to manage investments?
IUC:COMMUNITY DEVELOP'M	<ul style="list-style-type: none"> • Use Gumala Building to provide some meeting space • (NOTE from facilitator: There is a Gumala Member who is currently lecturing on Community Development - who could be a great resource in this area.)
IUC:EDUCATION	<ul style="list-style-type: none"> • This needs to be a priority - we need education support: tutors, having options for education • Ensure that Education monies are not solely spent on private schools - but to explore all options. We need a mechanism/assessment method to ensure the most useful platform is chosen rather than assuming private schools are the only answer - as this is very costly and will absorb a lot of funds for only a few people who take this up. • (also see comment above regarding educating people to manage investments)
IUC:BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> • Until Health and Housing is in place - we aren't really ready/inclined to access Business Development. Therefore we could lower the % in Business Development and Community Development and use these to increase Health and Housing and Education activities.
IUC:CULTURE	<ul style="list-style-type: none"> • We need to look for ways to access <i>Culture</i> in urban areas - I am not likely to go to a camp - so could we look at ways of accessing research, creating a library, funding publishing of books/stories? This is important so our history is preserved and made available to urban Indigenous Beneficiaries.
COMPLIANCE & ANNUAL REPORT	<ul style="list-style-type: none"> • In the annual report - it should list income categories and what programs sit in which categories • In the annual report provide a list of 1) investments and 2) the shares and the criteria which were used for selecting them and share the strategy being used and the actual figures • Please provide longer advice/notice regarding upcoming meetings

Geraldton Meeting, June 25, 2012 - Key Themes relating to GIPL

The beneficiaries at the Geraldton meeting seemed to consider the Categories in terms of the future and the present. They expressed the opinion that the Investment category was important for the future and then working in the current/present time frames they felt the categories of Education and Training, Health and Wellbeing and Culture need to be the key focuses.

There were suggestions as to how the GIPL Annual Report could offer more information about the income categories and utilization. There was also the opinion expressed that it would good in the area of Community Infrastructure for the Geraldton Area to have a venue/area/location in which they could meet.

COMMENTS / QUESTIONS FROM GERALDTON ATTENDEES RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

GENERAL COMMENTS

- Rather than needing to travel twice to go to meetings every year; why not organise the GAC and GIPL meetings back to back? This would result in 1) more efficient use of our monies and 2) less time off from work.
- For us to offer feedback we need 1) more information about the different categories and what is included in them 2) figures on the utilisation in the different categories – and this should be provided to us before the meetings so we can think about it in advance

IUC:INVESTMENTS

- We would benefit by having programs that went into the schools and provided more culture training for kids. With the loss of culture we lose the respect.
- Let's take 2% from Other and add it to *Culture*

IUC:COMMUNITY DEVELOP'M

- *Health and Wellbeing* should be our key focus – we need to increase this %.
- Regret was expressed about the recent reduction in the category of *Health and Wellbeing*.

IUC:EDUCATION

- We would like more feedback as to the % of utilisation in the *Business Development* category and what is being done with the monies
- Drop *Business Development* by 2% and put in Education or *Health and Well being*

IUC:BUSINESS DEVELOPMENT

- We need a place where we can meet and tell our stories

IUC:CULTURE

- In future issues of annual report - please provide us with 1) the definitions and activities in the categories and 2) more facts about utilisation in the different categories – so we know what programs are most utilised by the different segments/ages

COMPLIANCE & ANNUAL REPORT

- In the annual report – it should list income categories and what programs sit in which categories
- In the annual report provide a list of 1) investments and 2) the shares and the criteria which were used for selecting them and share the strategy being used and the actual figures
- Please provide longer advice/notice regarding upcoming meetings

Port Hedland Meeting, July 9, 2012 - Key Themes relating to GIPL

The beneficiaries at the Port Hedland meeting had a greater focus on Health & Wellbeing – and suggested that Health & Wellbeing should be 20%. To achieve this it was suggested the Investments % could get reduced and that monies from Investment could be added to Health and Wellbeing. They also suggested that Community Development is reduced by 5% and this could go to Business Development.

There were some very specific requests for information about the numbers of beneficiaries and which age groups are using which categories.

There was also interest in the methodology for determining beneficiaries.

COMMENTS / QUESTIONS FROM PORT HEDLAND ATTENDEES RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

VENUE, TRANSPORT, ATTENDANCE AT GIPL FUNCTIONS	<ul style="list-style-type: none"> • My mother struggled with climbing up all those stairs • GIPL needs to Choose venues with better access – ie either ground level or elevator • Many of the Elders don't have cars or means to get to meetings; Can taxi vouchers, buses or some form of transport be provided? • If I hadn't been here to bring in my mother and auntie – they wouldn't be here to give their input
IUC: GENERAL	<ul style="list-style-type: none"> • I would like to know what programs are particularly being utilised and by what age groups • Need to design programs that take care of and help current parents and grandparents • The categories discriminate against employed beneficiaries
IUC:HEALTH & WELLBEING	<ul style="list-style-type: none"> • Health and Wellbeing category needs more money
IUC:BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> • Funds that go to Karijini need to go to different Business Development activities
IUC:CULTURE	<ul style="list-style-type: none"> • Lore and Culture monies should not be spent on travel and sitting fees for Directors
COMPLIANCE & ANNUAL REPORT	<ul style="list-style-type: none"> • In future Annual Reports should include information as to: <ul style="list-style-type: none"> • descriptions of Income Utilisation Categories and what specifically are included in each of the categories • how many of the 1200 members are utilising the benefits • as a way of understanding the needs - include breakdowns as to the trends as to what the different age groups are utilising • the methodology for determining membership and the systems and processes to update and manage record keeping

Karratha Meeting - July 10, 2102 - Key Themes relating to GIPL

The beneficiaries at the Karratha meeting seemed to hold the categories of Community Development, Education & Training and Health & Wellbeing as particularly important.

There were some interesting comments offered about how exploring how Education and Training could be broadened to include a focus in assisting people in becoming employed. It is interesting to note that the category of Business Development in this community did not generate much conversation.

COMMENTS / QUESTIONS FROM KARRATHA ATTENDEES RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

GENERAL COMMENTS	<ul style="list-style-type: none"> I would like to know what programs are particularly being utilised in the different categories and by what age groups
IUC: INVESTMENTS	<ul style="list-style-type: none"> People were interested in the idea of accommodation/ short term stay flats being available for beneficiaries when they need to come to Perth to visit family members in the hospital
IUC: EDUCATION	<ul style="list-style-type: none"> We need to have the Education and Training category be broader – for example – what if I need to apply for a licence that would assist me in being employed? It was suggested that funding be applied to writing a cv, getting ready for employment, getting trained in skills for being better at interviews We need more traineeship opportunities, let’s look at training beneficiaries to work with GAC & GIPL and other organisations
COMPLIANCE & ANNUAL REPORT	<ul style="list-style-type: none"> Other than the comment above about utilisation there were not a lot of comments or suggestions offered in relation to the Annual Report.

Tom Price Meeting, July 12, 2012 - Key Themes relating to GIPL

The beneficiaries in attendance at the Tom Price meeting seemed to come from a mindset 'The investment category – is a given and needed for the future – so let's focus on using our 'sticky points' to indicate the importance of the immediate needs at hand.'

There was a lot of interest in education and employment– both as indicated by receiving the most sticky circles and also in the comments offered: 'we need an after school program for our kids, leadership development for our young people during school holidays, we need to help people at Tom Price get employed, traineeship programs for rangers, cultural awareness programs at Karijini.'

A suggestion offered that hadn't been made at previous meetings was the idea of having a communal art workshop where people could gather to do their art and also a request for assistance with purchasing their art materials.

COMMENTS / QUESTIONS FROM **TOM PRICE ATTENDEES** RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

IUC:EDUCATION & TRAINING	<ul style="list-style-type: none"> • The Education and Training bucket needs to expand to include the idea of how we can assist people gaining employment. We need training here In Tom Price so we can help both the adults and young people get skills that help them be employable: <ul style="list-style-type: none"> • What about a traineeship so we can become skilled so we are able to work at Karijini • trained to be rangers • We need to help families get easier access to computers • We need after school programs for our children to assist them learning
IUC: GENERAL	<ul style="list-style-type: none"> • It would be good to be able to pay GIPL for houses instead of Homes West
IUC:HEALTH & WELLBEING	<ul style="list-style-type: none"> • It would be good to have a communal workshop where we could do our art from and some assistance with art materials • Are there ways we could combine elements of culture, heritage and also offering cultural education programs at Karijini?
IUC:BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> • We have many funerals and we need more assistance
IUC:CULTURE	<ul style="list-style-type: none"> • Lore and Culture monies should not be spent on travel and sitting fees for Directors
COMPLIANCE & ANNUAL REPORT	<ul style="list-style-type: none"> • It would be good to provide In the annual report: <ul style="list-style-type: none"> • information about investments • a summary of this review In the annual report • more information about Karijini our Eco retreat – how is it working, what is happening there

Tom Price Meeting, December 2, 2012, - Key Themes relating to GIPL

This meeting involved a six month extension to the Review and its consultation phase. It was held in conjunction with the GIPL AGM for 2013. As a consequence it was successful in securing attendance by approximately 270 Beneficiaries. Input at this meeting emphasized issues of Lore and Culture to a greater extent than previous meetings.

COMMENTS / QUESTIONS FROM TOM PRICE ATTENDEES RE: INCOME UTILISATION CATEGORIES (IUC), INVESTMENTS, COMPLIANCE & ANNUAL REPORTS

GENERAL COMMENTS

- It is inappropriate that there was not an Elder organised in advance to do the Welcome to Country
- There needs to be a cap put on administration costs
- When the mine ends – the monies need to be fairly and evenly distributed
- We need more data to be able to drill down further in to the financials to understand the allocations in the homeland communities – are the allocations fair.
- How are the beneficiaries in the different homeland communities being supported?
- How specifically have the Niapali people been consulted with and respected?
- In future it would be good to record the meetings – in audio.
- Let's look at a system where I can accumulate my monies – and then use for a more expensive item. I don't want to accumulate/save monies and then have them taken away because I haven't used them by the cut off date.

IUC: CULTURE

- A number of Elders spoke passionately about the importance of culture. "If you participate in culture and lore – then you know who you are."

IUC:HEALTH & WELLBEING

- If we take the amount of \$3.7 million and divide it by 1250 members that would mean \$2960.00 per person.
- We should pay the \$60.00 St John's Ambulance insurance fee for each member in advance. By doing this we would ensure ambulance costs won't unnecessarily escalate.
- We could purchase private health care for people
- How come our Elders and people with disabilities can't have private health care?
- More monies to go to people with disabilities
- We need more resources, support and health education
- How can a policy be created to allow for monies to be transferred between the categories – perhaps the monies should be set up as a total per head – and then I can choose how to allocate
- Our costs of living has gone up – we have had electricity and water bills increased
- Coles cards – don't work at IGA!!! What about people who aren't close to Coles Grocery stores?
- If we were to set up an AMS (Aboriginal Medical Service) it can access monies through funding from outside of GIPL and GAC (an example is Ashburton)
- Let's tap into support from places like Vision Australia to better serve our health needs

IUC: COMMUNITY DEVELOPMENT

- There needs to be more development in Onslow
- Do we have the right people doing business on our behalf?
- We need to continue building ongoing community support and structures such as the elderly complex.
- We need to ensure that resources are distributed more evenly.
- People need help regardless of being in a particular community or language group.
- We need to address homelessness.
- GIPL and GAC need to work with the Local, State and Federal Governments to engage them in securing additional funding – there should be other resources available to build infrastructure.
- We need to ensure we are united in our approach.
- We urgently need houses, dialysis, air conditioning
- We need structures to support social and meeting with each other
- We are concerned about 'land tenure'

COMPLIANCE & ANNUAL REPORT

- The Annual Report was discussed at the AGM in the afternoon

V: LANGUAGE GROUP ANALYSIS

The meetings held in June and July of 2012 were of relatively small size. At the December 2012 consultation meeting attendance in the order of 270 Beneficiaries was secured and the language group for the attendees recorded. Different colour dots were then distributed to the respective language groups so that their voting patterns could be established.

The results by language group when asked to 'vote' to show which Income Utilisation Categories were priorities are summarized in the table below. Each Beneficiary was allowed three 'votes'.

PRIORITY INCOME UTILISATION CATEGORY	Blue circles indicate votes from the Innawonnga	Green circles indicate votes from the Niapaili	Orange circles indicate votes from the Bunjima
Investments	-	3	21
Community Development	5	8	12
Education & Training	12	24	58
Health & Wellbeing	32	51	113
Business Development	3	4	12
Culture	23	47	107
Other	1	-	3

VI: PREFERRED METHODS OF COMMUNICATION

	TOTAL	PERTH June 22, 2012	GERALDTON June 25, 2012	PORT HEDLAND July 9, 2012	KARRATHA July 10, 2012	TOM PRICE July 12, 2012	TOM PRICE December 2, 2012
Mail	50	As the Perth meeting went overtime - due to the extended Welcome to Country - the chairman advised to not do this	16	11	4	3	16
Email	39		11	13	2	1	12
Fax	8		3	1	1	1	2
Website	21		9	5	3	3	1
Radio	9		0	0	2	2	5

END OF REPORT



Below are photographs depicting the consultation methodology applied at all consultation meetings. Below each Income Utilisation category ("Bucket") were listed the specific GGF programs funded from each IUC.





Trustee achievements

This section of the report records the focus of the GIPL Board's activity from the end of the period covered by the Second Review of the Foundation and the measures taken by the Trustee to improve compliance with the Trust Deed, and the Trustee and Manager to improve the functioning of the Foundation.

Focus of Board Activity from 2007 to mid-2011

- 2007 - Legal actions including an action for the winding-up of GIPL by GAC, turbulent time between GAC and GIPL, reflected in Parakeelya Report
 - 9 March 2008 - Date of Settlement of Federal Court Action, Undertaking (No WAD 101 of 2007)
 - 27 August 2008 - The Second Review of the General Gumala Foundation: Parakeelya Report
 - July 2009 - DGR Endorsement of the General Gumala Foundation
 - August 2009 - Reports of the examinations by the Office of the Registrar of Indigenous Corporations of GAC, GIPL, GEPL and Gumala Tourism (ORIC Reports)
 - 3 December 2009 - Second Review of the Yandi Land Use Agreement (Chaney/Lennon Report) • July to December 2010 - Implementation Working Group - established by a Deed of Agreement between Rio Tinto, GIPL and GAC. Mr A Collett appointed as consultant for implementation process of the Recommendations of the Parakeelya Report and ORIC Reports
 - 23 December 2010 - Implementation Report: Collett
 - February 2011 - Joint meetings GAC and GIPL seeking "way forward" for Foundation; culminating in an agreement to propose that the Trust Deed be amended so that there would be a single governing entity having the functions of both Manager and Trustee, and the reintroduction of an Advisory Trustee
 - February 2011 - residential land purchased in Tom Price
 - 25 March 2011 - Agreement on timeline for the Proposed Restructure
 - Early April 2011 through May 2011 - Negotiations on the legal form of the Restructure
 - 2 April 2011 to end May 2011 - Agreement between GAC and GIPL for the Appointment of PwC to provide "overarching" due diligence report of Foundation and all connected and related entities
 - May 2011 - Dianne Guise elected Chairperson of GIPL
 - May 2011 - PwC due diligence report and historical review
 - 25 June 2011 - Extraordinary General Meeting of Beneficiaries
- Restructure proposal rejected.
 - This rejection was accepted as a clear message from the Beneficiaries that the Foundation was to concentrate on core issues being the management of the funds invested to provide for future benefits and the provision of benefits, in accordance with the Objects of the Foundation, for current living Beneficiaries.

Achievements 2011, 2012 and January to March 2013

2011 Achievements

In 2011 GIPL provided its first Annual Report for the 2010/2011 financial year and also produced an Annual Report in 2012 available at GIPL website www.gumalatrust.com. A summary and explanation of the achievements of the Trustee over that time is recorded below:

It is evident that from June 2011 (refer **Focus of Board Activity from 2007 to mid-2011**):

- GIPL has worked more effectively with Gumala Aboriginal Corporation than ever; and
- there is determination amongst the GIPL Board to work collaboratively with the GAC Board of Directors to ensure the best interests of Beneficiaries, existing and future.

As noted above while a proposed merger of functions of the Trustee (GIPL) and Manager (GAC) and the reintroduction of the Advisory Trustee was unsuccessful when put to a vote by the Beneficiaries on 25th June 2011, an independent Due Diligence Report and a Historical Review was conducted by PwC. Whilst the proposed merger did not receive sufficient support from Beneficiaries to proceed, these reports identified what areas required attention and what could be done to best meet the growing demands on the Foundation and Manager.

The PwC report became the basis for a shared programme of activity for the Trustee and Manager to demonstrate improved governance arrangements directed towards improved performance in the respective roles under the Trust Deed. This necessarily involved increased levels of collaboration between Trustee and Manager for the attainment of shared goals.

GIPL developed a Good Governance Charter for the Foundation, along with policies and clear procedures to be implemented for the Boards, Committees and Management of both GIPL and GAC. The development of supporting policies and procedures remains a work in progress which is central to demonstrable performance against the Trust Deed.

The establishment of the Good Governance Charter was a crucial and necessary development in GIPL moving forward as a “safe pair of hands” for Beneficiaries. Accordingly, the implementation of a robust governance system and a competent and comprehensive managerial structure ensures Foundation Trust Funds, goes towards improving the lives of the Traditional Owners, the Bunjima, Niapaili and Innawonga people.

GIPL funded a review by Mercer of the Executive Management Structure and remuneration arrangements required by GAC in recognition of the substantial growth in the number of Beneficiaries during the years 2008 to 2011. This resulted in a significant increase in the funding levels for GAC out of the Foundation in August 2011. Mercers also undertook reviews of the remuneration of Directors for both GIPL and GAC. These reviews occurred across the period July 2011 to April 2012.

In addition GIPL organised training for Board Members of GIPL, GAC and GEPL presented by the Australian Institute of Company Directors to ensure a better understanding of a Director’s role and responsibilities and performance expectations (November 2011).

A number of significant decisions were made by the Trustee in order to ensure compliance with the General Gumala Foundation Trust Deed: For example, sitting fees are no longer paid for General Meetings, but reasonable expenses incurred for the cost of attending meetings for the purpose of consultation are paid.

In addition GIPL commenced the First Review of the Register of Traditional Owners in the Foundation’s fifteen year history. *Clause 12.1* of the Trust Deed requires such reviews at intervals not exceeding five years. The details of the implementation of that Review are recorded at **Section 5C** of this Report. The Review of the Register of Traditional Owners commenced with a protracted survey period involving extensive efforts, including media advertising, and multiple mailings of a survey form to Beneficiaries.

The Review entails carefully structured methodology employing as facilitators an independent anthropological team. This important review is a requirement under *Clause 12* of the Trust Deed and involves the active engagement of the Traditional Owner Elders Advisory Committee as an advisory body, but with the Trustee retaining independent decision making authority as required under the Trust Deed.

Creation of a Beneficiary Database: the information received from the survey was entered into a genealogical data base by the supporting anthropology team with the intention that it be taken over by the Trustee Office as the Review progressed.

The opening of the Early Childhood Learning Centre at Wakathuni.

Agreement was reached for Gumala Tourism Pty Ltd to take a leadership and governance role for Karijini Eco Retreat in cooperation with the Department of Environment and Conservation. This arrangement is under constant review and has been revised but continues to be supported by GIPL.

The GIPL Board provided its support for the South Hedland Housing Project and Tom Price Elders Complex. The land for the South Hedland residences had been purchased in 2009. The land required for the Elders Complex remains a matter of negotiation between GAC and Rio Tinto. GIPL has carried a forward commitment for both projects in the Foundation budget since 2011.

GIPL and GAC have worked together in an honest, open, respectful and proper manner.

In December 2011, a three year rolling budget and funding agreement was agreed and implemented from 1 July 2011, by the Trustee and Manager. This was an historic milestone for the Foundation in terms of joint commitment and collaboration. The rolling budget provides funding security for the Manager necessary to sustain delivery of programs and projects under the Trust Deed. The budget and agreement expire on 30 June 2014 with the intention of the negotiation of a new four year rolling budget and funding agreement being negotiated in early 2014 for implementation from 1 July 2014.

As part of the governance reform programme the Charter for a Joint Investments Committee was endorsed in November 2011. The Committee first met in July 2011. This was an important milestone for the Foundation as it represented a consolidation of the collaborative approach between Trustee and Manager. Active consultation of the Manager on investment decisions had been a term of a long standing agreement in settlement of a dispute between the parties.

2012 Achievements

GIPL delivered a raft of Good Governance Policies and Procedures for the operation of the General Gumala Foundation that follow best practice procedures in Australia. The complete list of the Good Governance documents can be reviewed at Section 5B. In addition GIPL:

- Commenced a review of the operation of the Foundation and Trust Deed as required under Clause 33 of the Trust Deed involving a series of consultative meetings with Beneficiaries in towns across the Pilbara.
- The Traditional Owner Elders Advisory Committee (TOEAC) was established in October 2012 to advise the GIPL Board in the Review of the Register of Traditional Owners. This followed extended consultation with Elders in combined meetings and as language groups. The Charter for the TOEAC had been established in November 2011. The TOEAC has been facilitated and supported by the anthropological team independently of the Trustee to ensure cultural sensitivity and confidentiality.
- Appointed the same auditor as GAC to allow for better integration of financial management across the General Gumala Foundation. This was another significant milestone in the collaboration between the Trustee and Manager.
- Appointed an internal auditor for the first time as part of the governance reform and assurance programme commenced in 2011. Further GIPL has funded GAC to engage an internal auditor since the 2011/12 Financial Year. The appointment of internal auditors had been a key recommendation in the PwC Due Diligence Report from May 2011. The fact that GIPL and GAC appointed the same internal auditor is another milestone in improved collaboration between the parties in their respective roles under the Trust Deed.

In May 2012 GIPL undertook the review of the investment managers and appointed specialist portfolio managers to provide professional advice, assistance and support for the Joint Investments Committee and the GIPL Board.

Commenced the development of a risk assessment framework for GIPL and GAC, in their respective roles and, the Foundation overall. This work was funded by GIPL as part of the governance reforms as recommended in the PwC Due Diligence in May 2011. Again the work was undertaken by the same consultants to maximise alignment between the Trustee and Manager and was completed in August 2012.

Commenced and funded an independent review of existing programs and projects to determine the cost effectiveness and value for money achieved in delivery of programs by GAC plus a review of the financial management and sustainability to look at budgeting and acquittals processes to consider issues of financial sustainability of the Foundation and the actual benefits delivered;

Both of these reviews have been undertaken in cooperation with GAC and build on a closer relationship has been fostered between the Manager (GAC) and the Trustee (GIPL) in the previous year. The Terms of Reference and review processes were jointly agreed with GAC in May 2012 with completion of the Reviews and a combined final Report issuing in October 2012;

The Reviews were the first such efforts in the history of the Foundation and served several purposes:

- Assisting the Trustee and meeting its obligations under Clause 10.5 of the Trust Deed; *“The Trustee will review the effectiveness and efficiency of the Manager and take proactive steps to increase the effectiveness of the Manager by various means.”*
- Assisting GAC in meeting its compliance obligations with the Office of the Regulator of Indigenous Corporations without additional administrative costs being borne by the Manager.
- Assisting the GAC CEO in achieving two of his nominated KPIs under his contract of employment;
- Providing a baseline for continuing efforts in pursuit of the Trustee’s obligations under clause 10.5 by identifying issues to be addressed.

GIPL added to the Foundation’s property folio with the acquisition of three floors at 165 Adelaide Terrace in the Perth CBD which became the new Perth office for the staff of both GIPL and GAC in June 2012. The purchase was subject to rigorous due diligence processes.

This is the continuation of the Governance Reform implemented after the 25 June 2011 meeting of Beneficiaries. The development and implementation and review of policy and procedures will continue to ensure that the Foundation has robust governance and management systems in place to better serve the Beneficiaries.

In November 2012 the Trustee commenced a review of the Foundation's information technology requirements which was informed by the findings of the Reviews of Current Programs and Financial Management and Sustainability.

Developed the GIPL website (www.gumalatrust.com) which explains GIPL's role as Trustee of the General Gumala Foundation and contains a FAQ section and background history on the Foundation and its Trust Deed. This is a significant resource for developing a better understanding among Beneficiaries of the governance structure of the Foundation. The website went "live" in December 2012 to allow incorporation of the 2011/12 Annual report following its acceptance by the AGM in early December 2012.

Achievements: January to March 2013

Further training has been undertaken for directors of both GIPL and GAC Boards in April 2013.

GIPL and GAC cooperatively are progressing the South Hedland Housing Project.

The Trustee continued the Review of the Register of Traditional Owners with excellent advice from the TOEAC. By 28 February 2013, 93% of Beneficiaries had returned survey forms allowing them to be entered on the data base and identified for the purpose of the Review. The survey phase was ended on 28 February 2013. Significance assistance had been received from the Manager and numerous members of its staff across the Review.

The moratorium on the Register of Traditional Owners was lifted on 1 March 2013 with a mailing to all persons affected by the moratorium inviting them to apply for recognition as an adult Beneficiary.

In late November 2012 a proposal was received from the Manager for consideration of another proposal to restructure the Foundation. The Trustee responded positively to this proposal as a means to the end of possible improvement in the efficiency and effectiveness of meeting the objects of the Foundation. The views of the Trustee were communicated to Beneficiaries at the AGM held on 2 December 2012.

The proposal for the restructure of the Foundation from November 2012 was progressed by a series of meetings of a joint working party of the Trustee and Manager.

In March 2013, the working party arrived at a shared view that a barrister's opinion was required on the scope for the restructure. The selection of the barrister and the preparation of the brief was agreed between GIPL and GAC. Subsequent to the end of the review period the opinion was received and considered by both parties.

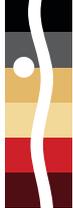
The following sections provide details in respect of the GIPL Board's activity in specific areas where the Trustee has improved compliance with the Trust Deed.

Section 5A details the investment management of the Trust Funds as being conservative and the use of the funds as being consistent with the Trust Deed. Evidence of the improved performance is provided in the Annual Reports for 2011 and 2012 financial years (available from GIPL website www.gumalatrust.com).

Section 5B details the Governance Reform Program implemented by the Trustee and outlines the factors that underpin the Trustees commitment to effective governance. It also lists the charters, policies and procedures drafted and implemented since July 2011. The actual charters are available for review and download on the GIPL website www.gumalatrust.com .

Section 5C details the process undertaken by the GIPL Board in regard to the review and maintenance of the Traditional Owner Registrar as required under *Clause 12* of the Trust Deed.

Section 5D details the scope of the current programs available to Beneficiaries and includes a summary of the independent review of current programs commissioned by the Trustee with agreement by the Manager in May 2012. Essentially, this was a review of all current programs by income utilisation category for effectiveness, efficiency, value for money and achievement of sustainable outcomes against the criteria of the Trust Deed with particular regard to the costs/benefits of administrative overheads incurred against the benefits delivered. It included review of other aspects in relation to financial management and sustainability of the fund with respect to continued delivery of projects.



Investments

Overall the management of the Trust Funds has been conservative, prudent and the use of funds has been consistent with the Trust Deed. There is evidence that the tense relationship between the Trustee and Manager in the period to late 2010 created distraction from the core task of addressing the sustainable funding of the Foundation through the accumulation of an appropriate "Future Fund".

Since mid 2011 there has been improvement in the Trustee's performance in the management of investments. This has largely resulted from the appointment of an Independent Director to the GIPL Board with extensive experience in financial management and business planning. This appointment occurred in July 2011.

Evidence of the improved performance is provided in the Annual Reports for the 2010/11 and 2011/12 Financial Years. At the end of June 2011 the total investment holdings for the Foundation stood at \$52,862,818. By 30 June 2012 the figure had increased by 40% to total \$71,644,950. Given the difficult investment environment across the 2011/12 Financial Year this is an investment performance of which GIPL is proud. Refer Investment Summaries for 2009/10, 2010/11 and 2011/12 Financial Years, attached.

In keeping with a long standing agreement in settlement of a dispute between Trustee and Manager, the GIPL Board established a Joint investments Committee ("JIC") as a consultation framework between the Trustee and Manager over matters of investment. The JIC has met regularly since July 2011, usually each two months and is timed to inform subsequent meetings of the GIPL Board on investment decisions and settings. It is advisory only but receives full information on relevant matters and has proved influential at the GIPL Board.

Further, the JIC creates the opportunity for capacity building among the Indigenous directors of both the Trustee and Manager by enabling greater understanding of investments processes and decisions.

As part of the overall governance reform program following the PwC Due Diligence Reports in May 2011, GIPL revised the Foundation's Investment Policy, in consultation with GAC, in late 2011. For the first time detailed supporting Procedures on Investments were also created at this time. The Investment Policy and Procedures were both reviewed and amended, again in consultation with GAC and through the JIC, in late 2012.

In keeping with the GGF Investment Procedures the Trustee moved in late 2011 to increase the GGF investments holding in property. This was required to increase diversification across asset classes as required by the GGF Investment Policy. The Trustee considered investment in a suitable commercial property.

During this period it also became evident that the Manager required much larger premises to accommodate an increase of its staffing levels in Perth. The existing office premises in Victoria Park were proving unsuitable for both the Trustee and Manager and consideration was given to the prospect of accommodating both in the commercial property under consideration.

Various premises in several locations were considered and two received initial assessments. The property at 165 Adelaide Terrace, East Perth was eventually identified as being the best prospect. Initially two floors of the building were available for purchase and another became available during the due diligence process.

The premises were subject to a full and very detailed due diligence process including formal technical assessment and valuation building report from Ryder Bucknell and commercial assessment during early 2012. The purchase of the three floors at 165 Adelaide Terrace, East Perth occurred across February and March 2012. Two of the floors had existing commercial leases in place offering a mix of capital growth and income from the perspective of the GGF investment portfolio. The first floor was vacant but offered a high quality recent fit out as part of the purchase price.

In February 2012 early access for a section of the Manager's employees was arranged for the second floor of the building to relieve pressure on the Victoria Park Offices while the refit of the first floor was undertaken to accommodate the Trustee and the balance of the Manager's Perth staff. The full move to the new offices by GIPL and GAC occurred in June 2012 and the offices were officially opened on 15 October 2012.

The provision of office accommodation to the Trustee and Manager in Adelaide Terrace was rent free, with only outgoings payable. While this represents a discount on the revenue flows from the investment it was considered, on balance, to be a prudent decision given the income available from other tenancies and the capital growth potential of the building. In late 2012 the Trustee took the decision to ensure that this discount on the potential earnings on the investment was declared to Beneficiaries in the interest of transparency.

While the offices at 165 Adelaide Terrace, East Perth were acquired as an investment for the GGF, the location of both GAC and GIPL in the building offered the ability to:

- Consolidate the collaborative and working relationship between GAC and GIPL, and provide a joint physical presence, i.e. there is a shared reception area;
- Create a “quality” presence for the Foundation in the CBD;

Maintain a diversified and prudent investment pool. The building offered both capital growth over time and revenue streams from commercial tenants.

In May 2012 GIPL reviewed the performance of its appointed investment managers. This extended process was treated as a formal tendering process with five candidates considered. Two managers were appointed to address the shares/equities portfolio and the cash/term deposits holdings, respectively. The investment managers are required to be reviewed each three years under the GGF Investment Policy.

On advice from one of the investment managers GIPL increased the Foundation’s holdings of Fixed Interest products in late 2012. This was in order to address the risk of reduced earnings on term deposits due to declining interest rates.

A major challenge for GIPL is the investment of money to maximise returns to the “Future Fund” while maintaining the high levels of liquidity needed to fund the programs and projects provided by the Manager. Efforts have been made since mid 2011 to closely manage cash flow to ensure that as much as possible is invested at any given time.

Perhaps the greatest challenge to the Foundation in financial terms is its long term sustainability. Promises in 2011 of “peak income” for the Foundation based on projected expansion of the Yandicoogina Mine have not been realised. This was largely due to delays in environmental and other approvals and then the down turn in iron ore prices and demand in 2012. The investment decisions for the mine are not in the hands of local Rio Tinto employees and are made at Board level in London. This demonstrates the vulnerability of the Foundation to external shocks and impacts on its revenue.

In accordance with *Clause 8.1* of the Trust Deed the Trustee is required to invest 40% of all Available Income . Its primary investment focus is the accumulation of a “Future Fund” to sustain programs and projects of benefit to Traditional Owners when the revenues from the Yandicoogina Mine cease. The notional end of the mine’s life remains 2037 but recent experience shows that sharp declines in revenue are possible at any time and must be planned for. The Foundation has been fortunate that while it did not experience an increase in revenue as expected it did not suffer a sharp reduction.

It is obviously necessary in this planning for sustainability to focus on both the investments for accumulation of funds but also at the cost efficiency of various programs and projects in delivering “value for money” to Beneficiaries. This becomes an important factor in developing realistic long term budgeting strategies for both the Trustee and Manager to match spending against revenue flows and the earning power of the “Future Fund” once mine revenues decline or cease

The agreement between the Trustee and Manager for a three year rolling budget in December 2011 was an historic milestone for the Foundation. It was a demonstration of the current collaborative approach between Trustee and Manager and it provided the funding security needed by the Manager to support the development and delivery of programs and projects as benefits for Traditional Owners. The agreement runs until 30 June 2014 and negotiation of a replacement agreement is planned for early 2014. Those negotiations will provide an important opportunity for the discussions and agreement on long term budget settings and sustainability.

A major item under discussion with the Manager is the opening up of alternative revenue sources to fund the range of programs and projects on offer. Without the development of these income streams the Manager will be required to turn constantly to the Foundation. Eventually, this will present major tensions between funding of benefits and accumulation of a “Future Fund” for the preservation of the Foundation and its Objects.

Future Directions in Investment

By March 2013, the Trustee had noted the need for further revision of the GGF Investment Policy and Procedures. This was primarily to ensure consistency between the documents and to ensure that they were tailored to the risk appetite of the Trustee as determined in accordance with the Trust Deed. The Trustee was particularly concerned to ensure that the Policy and Procedures provided a balanced approach to the maintenance of liquidity to meet the needs of the Foundation, while giving a clear focus on the generation of a “Future Fund” adequate to secure the sustainability of the Foundation.

Accordingly a review process is planned for conclusion by the 30 June 2013. The intention and the settings for the review will be subject to consultation with the Manager through the Joint Investments Committee.

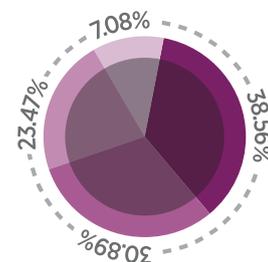


Investments Analysis

Gumala Foundation - Investments Analysis for 2010, 2011, 2012

Investments Analysis for 2012

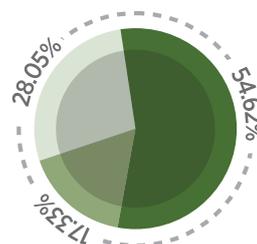
Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$25,779,699	-	-	\$1,825,757	27,625,456	38.56
M6 Treasury Cash & Cash Equivalents Portfolio (Book Value)	-	-	\$22,131,991	-	22,131,991	30.89
Investment Property (Book Value)	-	\$16,818,349	-	-	16,818,349	23.47
GIPL Direct Bank Accounts	-	-	-	\$5,069,154	5,069,154	7.08
30 June 2012 Balances	\$25,799,699	\$16,818,349	\$22,131,991	\$6,894,911	71,644,950	100.00



- MSSB Investment Portfolio (Market Value)
- M6 Treasury Cash & Cash Equivalents Portfolio (Book Value)
- Investment Property (Book Value)
- GIPL Direct Bank Accounts

Investments Analysis for 2011

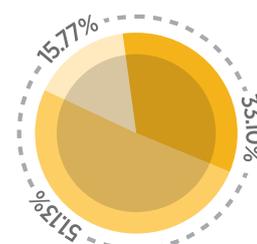
Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$26,803,055	-	-	\$1,036,540	27,839,595	54.62
Investment Property (Book Value)	-	\$8,835,120	-	-	8,835,120	17.33
GIPL Direct Bank Accounts	-	-	\$9,992,320	\$4,303,921	14,296,241	28.05
30 June 2011 Balances	\$26,803,055	\$8,835,120	\$9,992,320	\$5,340,461	50,970,956	100.00



- MSSB Investment Portfolio (Market Value)
- Investment Property (Book Value)
- GIPL Direct Bank Accounts

Investments Analysis for 2010

Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$8,791,634	-	\$4,417,000	\$354,205	13,562,839	33.10
Investment Property (Book Value)	-	\$6,463,352	-	-	6,463,352	15.77
GIPL Direct Bank Accounts	-	-	\$20,846,019	\$108,905	20,954,924	51.13
30 June 2010 Balances	\$8,791,634	\$6,463,352	\$25,263,019	\$463,110	40,981,115	100.00

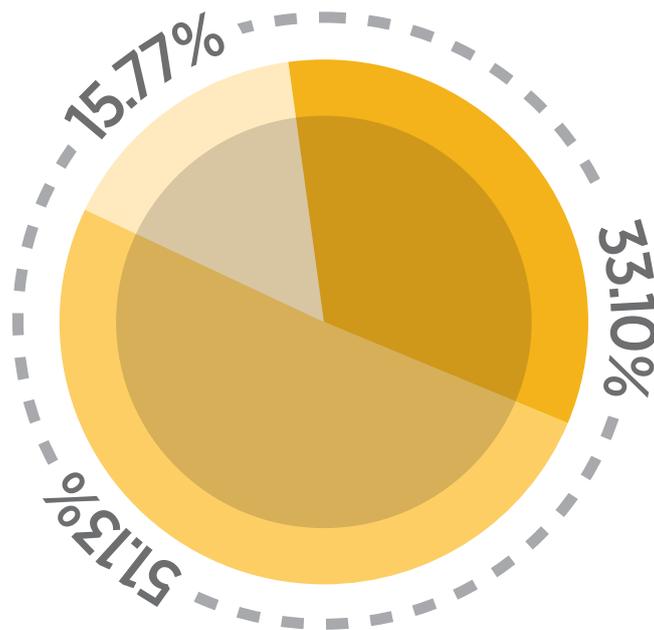
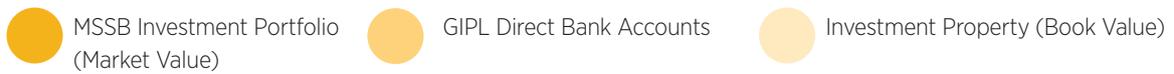


- MSSB Investment Portfolio (Market Value)
- GIPL Direct Bank Accounts
- Investment Property (Book Value)



Gumala Foundation - Investments Analysis for 2010

Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$8,791,634	-	\$4,417,000	\$354,205	13,562,839	33.10
Investment Property (Book Value)	-	\$6,463,352	-	-	6,463,352	15.77
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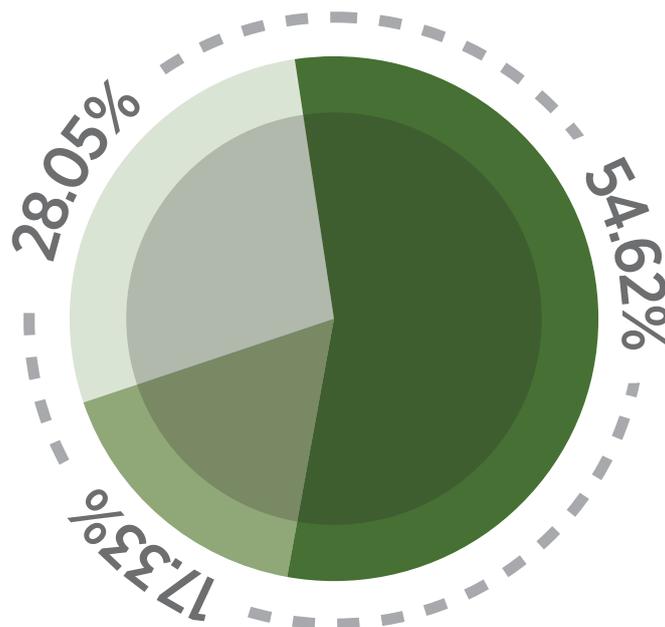
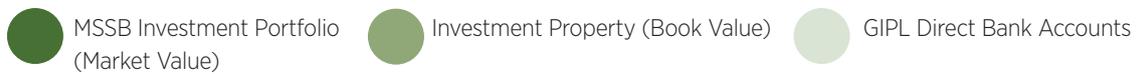




Investments Analysis 2011

Gumala Foundation - Investments Analysis for 2011

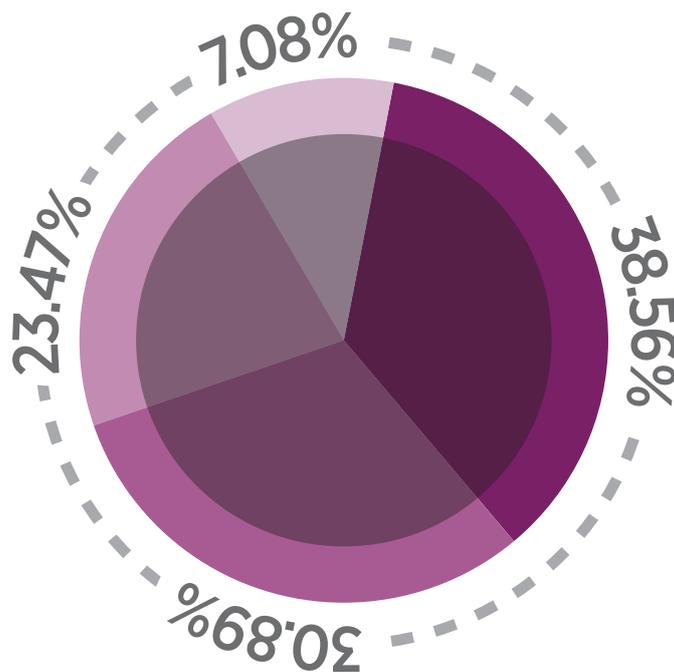
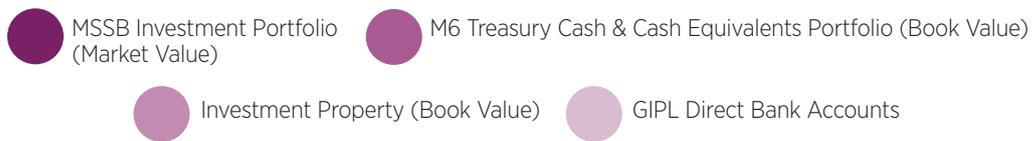
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Gumala Foundation - Investments Analysis for 2012

Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$25,799,699	-	-	\$1,825,757	27,625,456	38.56
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30 June 2012 Balances	\$25,799,699	\$16,818,349	\$22,131,991	\$6,894,911	71,644,950	100.00





Governance reform program

GOVERNANCE REFORM PROGRAM FOR THE GENERAL GUMALA FOUNDATION

The Good Governance Charter for the General Gumala Foundation was prepared by PwC during August/September 2011 and was drafted to ensure that there was close and explicit linkage to the provisions of the Trust Deed. It is a General Gumala Foundation wide Policy endorsed by the Board's of both the Trustee and Manager to guide them in the adoption of the high standards of governance for which their Directors are accountable to the Traditional Owners. The commitment to effective governance is underpinned by five important factors:

- Mutual respect and collaboration between the Trustee and Manager, and between these and the Traditional Owners;
- Consultation with Traditional Owners and decision making that is in the best interests of existing and future generations of Beneficiaries;
- Establishment of a robust and integrated governance framework that:
 - Is culturally sensitive and takes into account culturally appropriate ways to engage with Traditional Owners;
 - Adopts governance concepts and practices that ensures transparent compliance with the enabling legal requirements binding on Gumala entities, and reflects relevant better practice; and
 - Incorporates appropriate policies and supporting procedures, processes and systems that give effect to the principles within the overarching Good Governance Charter.
- A requirement for all existing and future controlled Gumala entities to adhere to the principles and expectations embodied in this Good Governance Charter; and
- Recognition and support for the retention of the GGF's current preferred treatment for taxation purposes.

GGF Governance Framework: Overview

- Both GIPL and GAC maintain that effective governance supports an organisation to:
 - Sustain effective and efficient operations;
 - Maintain the integrity of financial and non-financial information;
 - Protect its assets; and
 - Comply with applicable laws, legal obligations, standards, policies and procedures, contracts and best practice, including the fulfilment of its external accountability responsibilities.
- The following ethical principles underlie the GGF's Good Governance Charter:
 - Accountability; Transparency; Fairness and balance; Honesty;
 - Dignity; Legality; Goodwill; Conflict of interest principles; and
 - Establishment of key benchmarks for an ethical organisation
- The key functions and required behaviours of the respective Boards in response to matters requiring oversight by the respective Boards are now specified and include, amongst others, specific operational subject matter areas such as:
 - Risk Management and Control;
 - Compliance and Assurance;
 - Investment Management and Monitoring;
 - Accounting, and Financial Management;
 - Capital Management;
 - Budgeting and Forecasting;
 - Tendering and Contract Management; and
 - Proposals Development and Implementation
- Charters, Policies and Procedures drafted and implemented since July 2011 are listed below. The actual charters are available for review and download on the GIPL Website (www.gumalatrust.com).
 - GGF Good Governance Charter
 - GGF Budgeting and Forecasting Policy
 - GGF Human Resources Policy
 - GGF Accounting Policy
 - GGF Investment Procedures
 - GGF Risk Management and Control Policy
 - GGF Tendering and Contract Management Policy
 - GGF Code of Behaviours Policy
 - GGF Community Development Proposals Policy
 - GGF Remuneration and Human Resources Policy
 - GIPL Board Charter
 - GIPL Directors Code of Conduct
 - GIPL Joint Investments Committee Charter
 - GIPL Traditional Owner Elders Advisory Committee Charter
 - GIPL Audit and Risk Committee Charter



REVIEW OF TRADITIONAL OWNER REGISTER Prepared for Review of Foundation and Trust Deed

Total Number of Beneficiaries at commencement of Review	*1208
Total Number of Gumala Beneficiaries on Register as at March 2013	1123

Outline of Review Process

- GAC maintained Register - list total 1208 adults (as at 25 June 2011).
- Survey sent to all 1208 between July 2012 and February 2013. Repeated mailings to non-responders with targeted mailings to individuals who contacted GIPL regarding change of address etc.
- Initial return rate for survey was low; the period of survey was extended. Final extension closed on 28 February 2013. All Beneficiaries were required to complete the survey to allow them to be 'identified' for the purpose of the Review.
- Big Island Research Pty Ltd ("Big Island Research") was engaged to provide anthropological assistance for the Review, including data entry of survey responses to a database with hand over to GIPL Office planned to occur after close of the survey period and entry of survey data.
- Traditional Owner Elders Advisory Committee was established to advise the Trustee on the Review. Final Committee consists of 18 nominees from the three language groups with a quorum of 6 (2 from each language group). Formal Charter for the Committee in existence from November 2011.
- Big Island Research work with Traditional Owner Elders Advisory Committee to establish 'ground rules' for the Register Review and its future maintenance. The Committee is advisory only with all recommendations subject to endorsement by the Trustee as per Clause 12 of the Trust Deed.
- Survey data entry 1 March 2013 with ground rules: the Register is live
- GIPL ongoing management of the Register to commence.
- Further data entry work on the data base is anticipated and advice from the Traditional Owners Elders Advisory Committee beyond 1 March 2013 to guide the processing of new applicants and the continuing Review of the Register in accordance with ground rules endorsed by the Trustee.

Survey Results as at March 2013

As at 1 March 2013 there were a number of outstanding surveys. These were grouped into four categories:

- Incomplete, these were surveys that require additional information, signatures and or bank account details. Numerous attempts were made to contact individuals by telephone and mail between July 2012 and February 2013 and as a result some additional completed surveys were returned. The remaining incomplete surveys as at 1 March; totalling less than 20 in number; were reviewed by the GIPL Executive Officer and in all but two cases were found to contain sufficient information to allow the Beneficiary to be 'Identified' and entered on the data base.
- **Outstanding Survey [1]:** these were individuals that had made contact during the period October to January 2013 with a change of address. However, they had not returned a survey. A letter was posted to all individuals in **Outstanding [1]** seeking a completed survey. A notational requirement in the letter sent 6 March 2012 was for return of a survey within 60 days.
- **Outstanding Survey [2]:** these were individuals that had made contact during the period 25-28 February 2013 with a change of address; however they had not returned a survey. These individuals received a letter as outlined for **Outstanding Survey [1]** group.
- As at 1 March a total of two individuals from the **Outstanding Survey [1]** and **[2]** groups had responded to the letter with information sufficient to allow them to be identified.

- Non Returns, there were individuals that had not returned a completed survey and not made contact of any form during the eight month survey period. Assistance was gained from GAC to establish how many of these 'missing' individuals had made contact for any purpose during the period from 25 June 2011.
 - The individuals that were in the Non – Return category had their registration suspended and were notified by letter on 6 March 2013 and invited to apply with a fast tracking arrangement in place for the lifting of their suspension. The total number of names suspended was 86. Two of these were multiple entries on the GAC listing from 25 June 2011 and known to be clerical errors.
 - It was planned that that the individuals in the **Outstanding Survey [1] & [2]** categories who did not respond within the 60 days would have their registrations suspended and would be advised by letter with a further invitation to provide information required.
- For all individuals who are suspended from the Register pending their identification for the purpose of the Review, a procedure was set in place in cooperation with GAC. Where individuals who are suspended contact GAC to access benefits funded by the Foundation, they are referred directly to GIPL so that the background can be explained and immediate efforts made to secure the information required.

As at 1 March 2013 the Trustee had been successful in receiving information required to 'identify' Beneficiaries from 93% of the names on the GAC maintained Register (as at 25 June 2011). A moratorium had been placed by GIPL on adding new names to the Register in August 2011.

The survey period and associated payment of fees for completed surveys ended on 28 February 2013.

From 1 March 2013 a new Application for Beneficiary Status (for recognition as an adult Beneficiary) was adopted as an alternative to the survey as a means of 'identifying' Beneficiaries. The moratorium on the Register was lifted from 1 March 2013.

On 6 March all persons who had expressed interest in being registered during the moratorium period were sent a letter and application form and invited to apply. There were 164 individuals in this group

History of maintenance of the Register and its Review.

Since very early in the Foundation's history GIPL as Trustee delegated to GAC the essential task of maintaining the Register. The current GIPL Board became aware of the risks to which the Foundation was exposed as a result of that delegation in August 2011.

Subsequent research has established that the current GIPL Board's concerns regarding differences between the Trust Deed regarding Beneficiary status and the GAC Rule Book regarding membership were of long standing. For example, during 2007 and 2008 the matters were repeatedly discussed by the then GIPL Board.

During 2008 efforts were made, by agreement between GIPL and GAC to have the issues addressed by a resolution of an EGM. However, the resolution was not considered by the meeting and lapsed. On 7 August 2008 GIPL wrote to the Second Review of the Foundation and Trust Deed (Parakeelya) recording the issues and the need for them to be addressed. The Parakeelya Report contains a recommendation to that effect.

The issues remained unresolved as at August 2011. The GIPL Board obtained legal opinion from a barrister which confirmed the risks to the Foundation which the Trustee was under a duty to address under the Trust Deed.

The delegation to GAC for maintenance of the Register was rescinded in August 2011 and a moratorium on acceptance of new Beneficiaries imposed. The latter was to stabilise the Register pending its Review. The GAC Register, as it stood for the purposes of convening the EGM held on 25 June 2011, was recognised by GIPL pending the Review.

The Trust Deed is clear that the responsibility for maintenance of the Register rests with the Trustee:

12. Traditional Owner Register

- 12.1 *The Trustee shall cause to be determined to the extent practicable which persons are from time to time members of the Traditional Owners on regular intervals not exceeding five years and in doing so the Trustee shall have regard to:*

- (1) *Aboriginal Tradition;*
- (2) *the findings of any bona fide genealogical studies, landownership studies or land boundary studies which may at any time or from time to time be carried out;*
- (3) *whether a person regards himself as a Traditional Owner and is accepted by other Traditional Owners as a Traditional Owner;*
- (4) *any relevant determination of any Court or tribunal;*
- (5) *the relationship of a person to the area of the Traditional Lands in terms of family, clan, kinship, traditional occupation rights by marriage or affiliation, usufructuary rights and all other connections to the land recognised by Aboriginal Tradition;*
- (6) *the views of any Traditional Owner Council.*

Further, the details required to be recorded are clear:

- 12.2 *The Trustees shall cause to be compiled and maintained a register to be known as the Traditional Owner Register containing information as to:*
 - (1) *names and addresses of the Traditional Owners of the Traditional Lands;*
 - (2) *whether each individual is a member of the Bunjima people, the Niapaili people or the Innawonga people.*

Clause 12.1 clearly stipulates that the Register is required to be reviewed at least once each five years. As at August 2011, the Register had not been subject to review since the Foundation's inception in 1997. Compounding the concerns regarding the Register was the near doubling of the number of names recorded during the period 2007 to 2011. As at June 2011 there were 1208 adult Beneficiaries on the Register.

The focus of the concern regarding the integrity of the Register was:

- The failure to have it reviewed in accordance with the Trust Deed for a period of nearly 15 years.
- The disparity between the Trust Deed and the GAC Rule Book regarding Beneficiary status for the Foundation and membership of the Aboriginal Corporation, respectively. (Refer **Section 2C** of the Report of the Third Review of the Foundation – Legal Structure of the Foundation). These disparities led to two possible outcomes of concern:
 - People being on Register as Beneficiaries who did not satisfy the requirements of *Clause 12* of the Trust Deed. This would mean that persons not entitled might be receiving benefits from the Trust Funds.
 - People not being on the Register who were entitled to be Beneficiaries.

This made the process of a comprehensive review under *Clause 12.1* an imperative for the Trustee, the Manager and the Foundation's Beneficiaries.

Review Process

Given the risks associated with the Review very careful planning, including extensive legal advice, was undertaken by GIPL in late 2011 and early 2012.

In recognition that the Review would entail significant administrative support and recognising the effort which would be required for its long term maintenance the Trustee employed an Office Manager in June 2012. The job description places heavy emphasis on the maintenance of the Register on an ongoing basis following the Review. It was also important to create separation of roles within the GIPL Office to mitigate any risk that the Register's review and maintenance processes were the result of centralised discretionary decision making rather than administrative methods developed and applied at arm's length.

Engagement of Big Island Research Pty Ltd as Independent Facilitator and Support

In parallel with the intention to create a Traditional Owner Committee to advise on the criteria under *Sub- Clause 12.1* of the Trust Deed, the GIPL Board determined that an independent facilitator should be engaged to support that Committee. This was in anticipation that the discussions at Committee meetings may be of a culturally sensitive nature and that a high level of confidentiality should be provided to participants. It was further important that GIPL did not compromise its independence in the exercise of ultimate decision making over the Register. These considerations made it necessary that employees and Directors of GIPL should not participate in or witness the discussions.

Further, the creation of a substantial genealogical data base required a set of skills not available to GIPL. It was also anticipated that specialist anthropological advice may be required during the Review.

GIPL commenced efforts to secure a suitable candidate in early 2012 but met with limited success. Most of those approached were either too busy or conflicted in being able to undertake the tasks. Eventually advice was received from a senior academic anthropologist.

As a result of these extended efforts Big Island Research Pty Ltd was engaged to assist with the Review in August 2012.

Creation of a Beneficiary Database

Given the significant effort and expenditure required to undertake the long delayed first review, GIPL determined that the opportunity should be taken to develop a data base capable of providing a detailed demographic mapping of Adult Traditional Owners and children. The objective being the development of planning capacity in all areas for the Foundation. This applies to the full range of obligations for the Trustee and Manager, ranging as examples from the planning of programs and services and the development of proposals by the Manager, through to planning for budgeting and financial sustainability of the Foundation by the Trustee.

To elicit the information required a survey form was designed. To facilitate responses, and to recognise the time required to properly complete the form and the nature of the information being requested, a fee for service of \$650.00 was approved by the GIPL Board, to be paid for each completed survey returned.

The survey phase commenced in July 2012. Early response was low and multiple mailings to Beneficiaries were required. A total of 3 mass mailings; supported by targeted mailing to individuals following contact with either GAC or GIPL; were conducted across the period July 2012 to February 2013. The original intention to close off the survey at 7 September 2012 was extended by the GIPL Board and not effected until 28 February 2013.

During October 2012 extensive radio and print media advertising in Indigenous radio and newspapers was undertaken to encourage the return of surveys.

On 28 February 2013 the survey phase ceased by resolution of the GIPL Board and the payment of fees ceased. At that point 93% of Beneficiaries had returned their surveys.

Throughout the period August 2012 to March 2013, Big Island Research undertook the inputting of information received from the surveys to create the data base. Particular attention was given to ensuring that stringent security measures are attached to this data base. As at 1 March 2013, there were over 3500 names, including children, on the database. Big Island Research has identified gaps in the database and means by which these can be addressed. These arise from various sources including use of "nicknames" and the repeating of names across generations. The advice of Big Island Research and the Traditional Owner Elders Advisory Committee will be extremely helpful in closing these gaps to increase the integrity of the data base.

On 1 March 2013, the moratorium on the Register was lifted, and a new Application form, for recognition as an adult Beneficiary, adopted for use.

All stages of the Review process have been overseen by the GIPL Board and reviewed at each meeting. All decision points were by resolution of the GIPL Board.

Throughout excellent support has been received from various members of GAC staff.

Traditional Owner Elders Advisory Committee

Sub-Clause 12.1 of the Trust Deed stipulates the criteria to which the Trustee must have regard in undertaking the review of the Register of Traditional Owners. Barrister's opinion has established that no particular weighting or priority could be applied to these criteria by the Trustee in reviewing or maintaining the Register. The GIPL Board determined that it was necessary for input by a body of Traditional Owners for the purpose of advising on the interpretation of the criteria in *Clause 12.1*. It was also desirable that the status of Elders be respected and reinforced by the Review process. The creation of forums for input by Traditional Owners is also in keeping with the spirit of *Clauses 12.1(6), 12.3 and 12.4* of the Trust Deed.

GAC was consulted over the creation of the Traditional Owner Elders Advisory Committee to secure an appropriate mailing list to commence consultation with Traditional Owners over the matters. It was GIPL's preference that the Committee be constituted of as many Elder Traditional Owners as possible; with equal representation from the three language groups; and, gender balance. This is reflected in the formal Charter for the Committee's operation developed in late 2011. GAC provided the mailing list for its Lore and Culture Committee and advised that this Committee was as close as GAC had at its disposal for achievement of these objectives.

There followed extensive efforts to convene consultation meetings but these were not successful in the first instance. Eventually, GIPL consulted separately with the three language groups and was successful by these means in establishing the Traditional Owner Elders Advisory Committee in October 2012. There are eighteen nominees across the three language groups, with a quorum of two from each language group. It is left to the language groups to determine attendance at each meeting. Ten of the eighteen nominees to the Committee are Identified Traditional Owners. Identified Traditional Owners are those people at Schedule 14: Traditional Owners and Schedule 18: Claimants of the Yandi Land Use Agreement, reproduced at **Schedule A** of this Report.

To ensure the independence of the Committee and the confidentiality of its discussions, all meetings are facilitated and reported to GIPL by Big Island Research Pty Ltd. However, the reports are subject to confidentiality requirements and only those matters explicitly agreed by the Committee for sharing can be reported to GIPL.

The intention is that the Committee generate recommended "ground rules" for the interpretation of the criteria in *12.1* of the Trust Deed. These interpretive tools are to be developed independently of GIPL and then applied uniformly and consistently for the purpose of the Review. This is in the interests of equity, transparency and accountability while adopting a culturally sensitive process. The recommendations of the Committee are advisory only until endorsed by the GIPL Board to ensure the Trustee remains accountable under the Trust Deed.

The body of ground rules generated from this process will be applied for the maintenance of the register following completion of its Review.

The GIPL Board has not yet determined the longer term future of the Traditional Owner Elders Advisory Committee. However, it is likely that the Committee will continue to advise the GIPL Board on matters related to the maintenance of the Register. Any change will be undertaken in consultation with the Committee and the Manager.

TOEAC recommended the **first ground rule** for the Traditional Owner Register in March 2013. The GIPL Board resolved to accept the recommendation later in March 2013.

GROUND RULE ONE:

The TOEAC has agreed to recommend that biological descendants and siblings (including their descendants) of the Yandi Land Use Agreement [Y LUA] signatories should be admitted as Beneficiaries of the General Gumala Foundation.

This agreement has been made to progress the Review and to begin to include people back onto the Register through assessment of the surveys collected to date.

TOEAC confirm that they will be using all people nominated as signatories to the Y LUA, whether they physically signed the document or not. TOEAC agreed that anyone named on the agreement was/is recognised as a rightful Beneficiary.

The sibling rule is included as it recognises that if parents were unable to sign (primarily if they had passed away before the agreement was made) the eldest siblings of a family were listed. Therefore, they, their other siblings and their descendants should also be included.



OVERVIEW OF PROGRAMS/PROJECTS; SUSTAINABILITY AND STRATEGIC DIRECTION

An independent review of current programs available to Beneficiaries was commissioned by the Trustee with the agreement of the Manager in May 2012. The terms of the review were:

- **Current Programs:**
 - Review all current programs by income utilisation category for effectiveness, efficiency, value for money and achievement of sustainable outcomes against the criteria of the Trust Deed with particular regard to the costs/benefits of administrative overheads incurred against the benefits delivered.
- **Financial Management and Sustainability:**
 - Review and evaluate the processes and assumptions adopted by GAC in developing its annual budget in so far as administrative and overhead costs are concerned.
 - Review and evaluate the process for the acquittal of funds against income utilisation categories.
 - Appraise the financial viability of GAC in meeting future commitments in terms of overhead and administrative costs.
- Advise GAC on the directives concerning administrative expenses in the ORIC Final Notice to assist in GAC's response.

The scope of the review comprised current programs that are classified within the "Income Utilisation Categories". These categories are established by and defined by the General Gumala Foundation Trust Deed. *Clause 8* of the Trust Deed, titled "Utilisation of Income", stipulates for what purposes income received into the Foundation may be disbursed. "Available Income", is defined as "the net income of the Foundation in any financial year after payment or provision for the costs of administering the Foundation and taxes and charges". Specific items eligible for disbursements from the Trust's funds are listed below:

- Investments – not less than 40%;
- Education and Training – not less than 10%;
- Business Development – not less than 10%;
- Community Development – not less than 20%;
- Health and Well Being – not less than 10%;
- Cultural Purposes – up to 5%;
- Other Income – the balance of the Available Income received by the Trustee in any financial year may be applied by the Trustee after consultation with the Manager, or in accordance with proposals of the Manager and approved by the Trustee, in furtherance of any activities falling within the Objects of the Foundation.

The programmes which comprised the scope of the engagement included all programmes currently offered to the Beneficiaries of the General Gumala Foundation. The programmes reviewed included:

- Health Programs, comprising:
 - Health and Well Being;
 - Pensioner Support;
 - Medical Program;
 - Critically Ill Patient Support.
- Utilities Program (i.e. Assistance with up to 75% of nominated amounts incurred by eligible persons)
- Education and Training Programs including:
 - Education Support and Gumala Scholarship Program;
 - Computer Support;
 - Sports.
- Community Development Programmes
- Lore and Culture:
 - Funeral Program;
 - Funeral Travel Assistance;
 - Headstone Program;
 - Lore and Culture Family Funding and Travel Assistance;
 - Emergency Housing (i.e. Assistance with rental accommodation, temporary accommodation and mortgage repayments)
 - Natural Disaster Relief Program (i.e. in the event of cyclones, bushfires and floods).¹

The review of the current programs was directed to:

- The operational effectiveness of each program.
- The efficiency with which the services under each program are delivered.
- Whether or not the outcomes achieved or anticipated to be achieved are sustainable.

The Objects of the Foundation recorded in *Clause 3* of the Trust Deed formed the primary criteria against which the review of programs was conducted. It included a review of the systems and processes used by the Manager for the purposes of:

- Identifying and evaluating the eligibility of new programs and projects using both quantitative (operational statistics and financial incomes and expenditures) and qualitative (alignment with the Trust Deed and, in particular, the Objects of the Foundation) measurement and evaluation criteria.
- Prioritising and approving projects, including a review of the impact assessments used to identify those offering the best balance of outcomes.
- Evaluating the suitability of the mechanisms/channels used to deliver the programs and projects.
- Monitoring the existing programs and projects against the specific goals as initially agreed and approved, including initial performance metrics/targets, the original “business” case, and proposed timelines, milestones, and benchmarks.
- Reporting, including the accuracy, completeness and punctuality of program reports of operational data and statistics and financial incomes and expenditures.
- Determining the sustainability of programs and projects. Including how sustainability is assessed, both initially and on an on-going basis.
- Providing appropriate Governance, control and oversight of programs.

Comments from Independent Review of Programs

The Independent Review of Programs concluded that over time the Manager demonstrated year by year, improvements in terms of effectiveness, efficiency and value for money and this was based on information which indicated a faster rate of growth in disbursements to or for Beneficiaries than increases in the service delivery and administrative payroll costs.

The Trustee and the Manager were able to respond to the various findings of the review and the independent reviewer then responded to those. In summary the Trustee’s general response is recorded below and detailed consideration of the issues is set out later in this document.

- The Trustee considers that because of the unique nature and challenges required in providing benefits to Beneficiaries in keeping with the requirements of the Trust Deed that standard corporate management benchmarks for cost effectiveness do not apply.
- The Trustee wishes to engage with the Manager to jointly formulate measureable “outcomes” and once these have been decided to consider how progress towards those chosen outcomes is to be measured.
- The Trustee and the Manager are working together to formulate a strategic plan for the Foundation which will be required to consider the scale and complexity of GAC including its multiplicity of locations and the regulatory requirements placed on it.
- Both the Trustee and the Manager are considering whether it is legally and commercially viable to operate on a shared IT platform so that accounting systems, asset registers, management systems, payroll systems, project management systems, documents and record management systems can be incorporated into the initial architecture designs. These decisions have to be informed by the desired outcomes as formulated and the agreed system of measuring those outcomes.

Both the Trustee and the Manager have been provided with a table of principal findings which can inform future decision making in respect of Program design and delivery based on the following factors:

- Effectiveness;
- Efficiency;
- Value for Money;
- Budget Process;
- Acquittals Process;
- Financial Sustainability.

The Trustee has considered the findings of the Review taking into account the following factors:

- Demographic Changes in Beneficiaries since Second Review of the Foundation (August 2008)
- Program and Service Offerings 2007 to 2012
- Trust Deed Amendment “Health and Wellbeing” IUC
- The PBI and DGR Status of the Foundation
- The Review of Programs and the Review of Financial Management and Sustainability
- Administrative Costs
- Foundation Sustainability
- Increased Planning Capability for the Foundation
- Comprehensive Review of Existing Program Offerings

Demographic Changes in Beneficiaries since Second Review of the Foundation (August 2008)

In the Report on the Second Review of the Foundation (Parakeelya), at page 48, it is recorded that at the time (late 2008) the total number of adult Beneficiaries of the Foundation stood at 742; made up of 61% from the Bunjima language group; 21% Niapaili; and, 18% Innawonga.

As at June 25, 2011, when a moratorium was placed on the Register of Traditional Owners to permit its review, the number of adult Beneficiaries stood at 1208.

This represents an increase of 62% on the baseline from August 2008 in the space of 3 years and represents very significant increase in the demands upon the Foundation in terms of program/ service offerings; administration costs; and, budget. The brunt of these demands fell on the Manager in its day to day interface with Beneficiaries. Regrettably, the intensity of these demands was not adequately recognised by the Trustee until mid 2011 when, following the unsuccessful proposal to restructure the Foundation, a collaborative agenda between the Trustee and Manager emerged.

As a consequence several reforms were adopted during 2011 including more adequate resourcing of the Manager to service the demands and a three year rolling budget to stabilise funding of programs. The implementation of a Governance Reform Program within the Foundation also reflects the maturing of the organisation in terms of the size of the population to be serviced and the resulting complexity.

Both the Parakeelya Report and the Chaney/Lennon Report on the Second Review of the Yandi Land Use Agreement allude to concerns with this rapid growth in the number of Beneficiaries and its implications.

Program and Service Offerings 2007 to 2012

Between 2007 and 2012 the number and range of programs and projects offered by the Foundation have also increased markedly. At pages 42 to 44 of the Parakeelya Report a table appears showing the number of programs on offer in 2008. A total of 17 programs are reported upon in that Report.

The distribution of the programs from 2008 across the Income Utilisation Categories under Clause 8 of the Trust Deed, as it then stood, and, currently is shown in the following table:

TABLE 1:
Programs by Income Utilisation Category (IUC) 2008 and 2013

Income Utilisation Category	2008 Number of Programs	2013 Number of Programs
Education and Training	3	11
Business Development	2	12
Community Development	1	11
Cultural Purposes	1	6
Other Income	10	4
Health and Wellbeing	Category did not exist	5

Another feature of the analysis from the Parakeelya Report is the allocation of responsibility for the administration of the 2008 program offerings. Three of the programs: Business Development, Business Loan Guarantee and Home Ownership, were managed by the Trustee, with the balance of 14 programs being administered by the Manager. This reflects the tension and added to the confusion in the respective roles of the Manager and Trustee which are reported upon in both the Parakeelya and Chaney/Lennon Reports from this period.

From late 2010 the tension between Trustee and Manager shifted substantially when a more collaborative approach, reflecting the arrangements within the Trust Deed, emerged around the 2011 Restructure Proposal. As discussed at greater length elsewhere in this Report, this collaborative approach was cemented during 2011 and in particular after the failure of the Restructure Proposal to gain the required support from Beneficiaries. For example, in March 2011 the Trustee withdrew from any role in the Home Ownership program area. As at March 2012, the Trustee had no role in the development or management of any programs offered by the Foundation. This reflects the intentions evident in the Trust Deed.

Another important feature is the distribution of the programs from 2008 across the Income Utilisation Categories. As shown in Table 1 above, the majority of the programs in 2008 were attributed to the "Other Income": IUC. The wording from the Trust Deed sub Clause 8.10 which was unchanged in the reporting period reads:

"The balance of the Available Income received by the Trustee in any Financial Year may be applied by the Trustee after consultation with the Manager or in accordance with proposals of the Manager approved by the Trustee in furtherance of any activities falling within the Objects of the Foundation."

Rather than being applied for the required under Clause 8 of the Trust Deed, Available Income was not being applied against the relevant IUCs, and the "Other Income" category was the mainstay for program delivery. This was a response to the then prevailing circumstances to increase the flow of benefits to meet demand from a rapidly growing Beneficiary group. This arrangement was inconsistent with the Trust Deed and effective planning and budgeting for the Foundation.

Provided in Table 2 below is the range of programs on offer in 2013 and their distribution across the IUCs. It shows that the number of programs on offer to Beneficiaries had grown to 49 by this Report year. While this has entailed some reorganisation of the base programs from 2008 to provide better targeting, it still represents a substantial increase in the number and range of programs. It is also noteworthy that the programs are also distributed more coherently across the IUCs from the Trust Deed, with a significant reduction in the number attributed to "Other Income".

This creates budget planning, allocation and acquittal better aligned to the Trust Deed and the long term sustainability requirements of the Foundation. The shift has been greatly assisted by the amendment of the Trust Deed in November 2011 which was initiated by the Trustee which included the IUC of "Health and Wellbeing".

Trust Deed Amendment "Health and Wellbeing" IUC

As can be seen at pages 42 to 44 of the Parakeelya Report the majority of the programs on offer in 2008 and distributed under the "Other Income" IUC were health related. Among these was the Health and Wellbeing Program. Following consultation with Beneficiaries associated with the Restructure Proposal from early 2011, the Trustee had received a clear and recurring message regarding the need for these health related programs, and Health and Wellbeing in particular.

Accordingly, and despite the failure of the June 2011 Restructure Proposal to secure the support of Beneficiaries, the Trustee initiated an amendment to the Trust Deed to create a new IUC. This was done in consultation with the Manager and addressed a number of issues for the Foundation, not the least being matters of compliance and the facilitation of program development to address recognised areas of need for Beneficiaries.

The "Health and Wellbeing" IUC was created by an amendment to the Trust Deed which was endorsed by the Beneficiaries at an AGM in early December 2011. To avoid confusion, the pre-existing program of that name was redubbed the Healthy Living Program and health related programs were attributed against the new IUC.

**TABLE 2:
BENEFITS AVAILABLE TO BENEFICIARIES ALLOCATED BY INCOME UTILISATION CATEGORY:2013**

The Details of the Actual Programs are Available on the GAC Website: *Member Services Program Guidelines*

<p>EDUCATION & TRAINING (Clause 8.3)</p> <p>Membership Assistance Programs Primary Secondary Tertiary Scholarship Country week Computer Assistance</p> <p>Education Programs 3A Programs WECC Costs Traineeship AAC Partnership Various Minor Educational Programs & Exp</p>	<p>Not less than 10% of Available Income</p>
<hr/>	
<p>BUSINESS DEVELOPMENT (Clause 8.5)</p> <p>Membership Assistance Programs Business Research & Feasibility Grant Business Planning Professional Services Grant Business Working Capital Grant Business Travel Grant WA Country Vehicle and Assistance Program Business Professional Services grant Special Assistance Program</p> <p>Other Business Development Costs GAC Business Enterprise – Feasibility Costs GAC Business Enterprise – Capital Investments Business Plan Review Marketing/Printing Conferences/Seminars</p>	<p>Not less than 10% of Available Income</p>

COMMUNITY DEVELOPMENT (Clause 8.7)Not less than 20%
of Available Income

Membership Assistance Programs
Utility Assistance

Community Assistance Programs

Community Minor Maintenance
Wakathuni ECHC Maintenance
Bellary Community Building Maintenance
Gumala Radio
Community Assistance Program
Gumala Bus Program – Tom Price
Community Rubbish Skip Program
Community Sponsorship & Consultations
Graham Farmer Foundation
Housing Assistance Program/Emergency
Housing

Projects

Capital Works
New-Bough Shed Project
Other

CULTURE (Clause 8.9)Up to 5% of
Available Income**Membership Assistance Programs**

Funeral Fund
Funeral Travel Assistance
Lore camp upgrades
Lore & Culture Family Assistance
Lore & Culture Travel Assistance
Arts & Craft Program

Lore & Culture Expenditure

Lore Singers & Teachers
Bulk Food
Fuel
Fuel Generators
Lore grounds improvements
Cultural Awareness Grant

HEALTH & WELLBEING (Clause 8.9A)Not less than 10% of
Available Income**Membership Assistance**

Healthy Living Program
Critically ill patient
Medical
St John Ambulance
Special Assistance Program

OTHERBalance of Available
Income**Membership Assistance Programs**

Sports & Recreation
Headstone Fund
Natural Disaster Relief
Acknowledgement of Elders

The PBI and DGR Status

As outlined in greater detail elsewhere in this Report (see Section 2D), the Foundation is recognised as a PBI (Public Benevolent Institution) and a DGR (Deductible Gift Recipient) for taxation purposes. While delivering unquestionable benefit to the Foundation, this status presents major challenges for the Foundation in the design and delivery of programs and services. It also leads to confusion and misunderstanding among Beneficiaries and thereby creates challenges for both the Trustee and Manager.

The Trust Deed stipulates that the Trustee cannot change any of the Trust's terms and conditions if it would result in a revocation of the Foundation's tax exempt status (*Clause 26*). This imposes a strict legal constraint.

In the development and design of programs and services the PBI status requires close linkage to the Objects of the Foundation; being "...the relief of poverty, sickness, suffering, distress, misfortune or destitution..." (*Sub Clause 3.1*). Further, the Trust Deed places strict limitations on the use of cash benefits as a means for distribution of Foundation funds (*Clause 11*). The constraints imposed by the PBI status clearly influences the development, design and administration of programs and services offered by the Foundation and the discretions available to the Trustee and Manager. This can lead to confusion and misunderstanding among Beneficiaries who have expectations which conflict with the PBI status. This can arise over expectations that frequent distribution of cash payments should be a feature of the Foundation's services.

An additional consideration is the immediate impact of any such cash distributions on benefits available from Centrelink and known to be heavily relied upon by a large segment of the Beneficiaries. Additionally, personal income tax could also be payable, further reducing the real value of any income stream.

The DGR status creates similar challenges, despite its associated benefits. In May 2005 the *Clause 32* "Winding Up" of the Trust Deed was required to be amended to ensure the requirements for retention of DGR and tax exempt status were met. *Clause 32* requires that at the Vesting Date in March 2077 the residual holdings of the Foundation must be vested in a like organisation (i.e. a PBI) for like purposes (i.e. the primary Objects and general purposes of the existing Foundation). While not as frequently heard as the call for cash payments among Beneficiaries, the claim is quite frequently made in meetings with Beneficiaries for the assets of the Foundation to be liquidated and distributed among the existing Beneficiaries. To do so would be a serious breach of the terms of the Trust Deed by the Trustee.

It is important that this reality be accurately conveyed to Beneficiaries in order to build their understanding of the Foundation's structure and purpose. This remains a major capacity building project for both the Trustee and the Manager. As reported elsewhere, the methodology used for the consultations with Beneficiaries in respect of this Third Review of the Foundation, placed heavy emphasis on creating this increased understanding and capacity with some evidence of success.

The Review of Programs and the Review of Financial Management and Sustainability

As recorded previously these two Reviews were undertaken between May and October 2012. They addressed a range of concerns and demands upon both the Manager and the Trustee and were undertaken by an independent consultant and financed, with agreement of the Manager by the Trustee. For the Trustee they represented the first systematic attempt to "... review the effectiveness and efficiency of the Manager and whenever possible ... take proper and proactive steps to increase the effectiveness and efficiency of the Manager..." under *Clause 10.5* of the Trust Deed.

The combined report on the two Reviews was useful in identifying a range of issues to be addressed in terms of the Foundation's monitoring and performance measurement of the effectiveness of programs and services. Further it reinforced that attention to the issues of budgeting and long term sustainability were required for the Foundation. These findings have informed a number of the continuing dialogues between the Trustee and the Manager. The following discussion focuses on a range of these matters which should form elements of an emerging shared strategy approach by the Trustee and Manager to key themes.

Administrative Costs

For reasons outlined above, and largely derived from the tax exempt and DGR status of the Foundation and the limitations imposed by the Trust Deed regarding cash payments, the Foundation is required to find ways of delivering programs and services which are necessarily more labour intensive than might otherwise be the case. For this reason normal commercial measures of cost effectiveness etc. cannot be easily applied.

However, this does not relieve the Trustee and Manager from the task of achieving the most cost effective and efficient administration of the respective roles and obligations imposed under the Trust. In this task the Manager and Trustee are constrained by the complexities imposed by the Taxation Legislation requirements and Trust Deed.

The Trustee and the Manager have also been required to address issues that derive as a consequence of the pre-2011 history of the Foundation. These have included some of the costs associated with the 2011 Restructure Proposal and the resulting Governance Reform Program. The funding of these special projects should not be taken as reflective of the permanent cost structure for either the Manager or the Trustee as they are in their nature "one off" and could reasonably be spread across the life of the Foundation since 1997.

Since 2011 the Trustee has focused on diligent performance of its obligations under the Trust Deed. In keeping with those obligations the Trustee has met the bulk of the costs associated with addressing long standing issues for the Foundation. Among these are:

- The bulk of the costs associated with the 2011 Restructure Proposal (February to June 2011).
- The bulk of the costs of the Governance Reform Program (August 2011 and continuing).
- The costs of governance training for the Trustee and Manager Directors (November 2011 and ongoing).
- The Reviews of Programs and Financial Management and Sustainability (May to October 2012).
- The first Review in fifteen years of the Register of Traditional Owners (August 2011 and ongoing).

The costs of most of these projects are of a "one off" nature and could reasonably be spread across the fifteen years since the Foundation's inception.

Foundation Sustainability

For reasons outlined elsewhere in this Report, the Foundation has not received the significant increase in revenue under the Yandi Land Use Agreement (YLUA) which was forecast by Rio Tinto in mid 2011. For several reasons the Foundation has escaped the worst outcomes from that situation:

- The Trustee insisted on a conservative approach to the revenue model to underpin the three year rolling budget (2011/12 to 2013/14) by adoption of more years of actual rather than forecast revenue from the YLUA. This resulted in an annual budget figure for each of the three years significantly below that which would have otherwise resulted. Consequently, the budget figure more accurately reflected the actual revenue received.
- The actual revenue received since July 2011, while not as high as forecast, and did not entail a significant reduction over previous years.

The experience of these two factors in play must be considered in any discussion regarding financial management and sustainability for the Foundation.

The role of investing a nominated 40% of the Available Income and overall financial management falls to the Trustee under the Trust Deed. Generally the focus of the Trustee's efforts in the Investments IUC has been on the creation of an endowment to support the Foundation in the achievement of its Objects at the point at which revenue under the YLUA ceases. The current notional "life of mine" extends to 2037; while the Vesting Date of the Foundation is 2077. However, in reality the revenue stream from the YLUA is variable across the period until 2037 for reasons beyond the control of both Rio Tinto and the Trustee. Furthermore, the formula under the YLUA which determines the revenue calculation for the Foundation will invariably lead to a decline in revenue as the mine matures in its final development and production phases.

Accordingly issues of financial sustainability must be addressed as a permanent feature of the operations of the Foundation by both the Trustee and Manager.

As reported above the current offerings of programs and services have expanded dramatically since 2008, as has the number of Beneficiaries. The budget requirements of the Manager have increased accordingly. It may be that an "endpoint" has already been reached in terms of the funding capabilities of the Foundation. If this is the case, urgent budget management interventions are required. In any event a combination of discipline in both budget management and investments are required for sustainability in recognition of fluctuating and/or declining revenue across the remaining life of the Foundation.

The appreciation of these issues has led the Trustee to increase its focus on the management of investments and the financial management of the Foundation. This increased focus has delivered reward in terms of growth of the investment holdings of the Foundation. The matters of budget discipline have arisen during 2011 with a focus on the renegotiation of the current rolling budget which expires on 30 June 2014.

The section of this Report dealing with Investments further develops the theme of ensuring that sustainability remains a focus not just for the “end of mine” scenario, but across the 80 year life of the Foundation Trust.

A number of dialogues have been opened with the Manager to address these issues. They include early discussion aimed at the renewal of the three year rolling budget when it expires on 30 June 2014. The renewal of the information technology architecture for both the Trustee and Manager, arising from the finding of the Reviews of Programs and Financial Management and Sustainability has also been on the shared Trustee/Manager agenda since October 2012.

There are a range of other substantial projects which should, in the Trustee’s view form elements of a shared strategic approach by the Trustee and Manager over the next five years.

Increased Planning Capability for the Foundation

A major development since June 2011 has been the strategic approach adopted by the Trustee to the Review of the Register of Traditional Owners. This is in effect the first such review in the history of the Foundation and follows many years of concern, expressed in the Parakeelya Report from 2008, regarding the integrity of the Register. A detailed summary of the Review process is provided at **Section 5C** of this Report.

Integrated with the Register’s Review is the creation of a data base which is intended to significantly increase the Foundation’s ability to be proactive in its planning for the future. For the Manager this would include anticipating demand for programs and services and modelling of alternative service delivery strategies. For the Trustee it creates the opportunity for the first time to anticipate the short, medium and long term sustainability requirements for the Foundation to inform both budgeting and investments management.

Comprehensive Review of Existing Program Offerings

As outlined above the range of programs and services offered through the Manager has increased dramatically since 2008. They have also been more accurately distributed across and closely aligned with the IUCs under the Trust Deed, thereby better reflecting the intentions of the Foundation. This represents a maturing of the Foundation in the face of a very significant rise in the number of Beneficiaries. This achievement cannot be underestimated. This new phase in the Foundation’s history creates a range of opportunities and challenges.

The immediate and most pressing challenge is to determine whether the size of the current GAC budget for programs and services has reached the “tipping point” in terms of sustainability for the Foundation. While the range of programs and services may change the aggregated budget for their delivery and funding may need to be monitored and constrained for the prudent management of the Foundation. To a degree, the discussion of these issues will arise in early 2014 with the renegotiation of the rolling budget.

Another significant challenge lies in ensuring that the programs and projects on offer match as closely as possible the aspirations of the Beneficiaries. While the range of programs and projects has increased substantially it is fair to observe that this has emerged in a relatively reactive manner without evidence of adequate consultation with Beneficiaries. This is understandable given the rapid and large increase in Beneficiary numbers over recent years.

The level of consultation required presents a significant opportunity for capacity building among Beneficiaries, similar to that which has presented through the methodology adopted by the Trustee for this Third Review of the Foundation. The associated challenge for the Trustee and Manager is to adopt an approach which adequately and honestly addresses issues of expectation management among Beneficiaries. It is the case that these expectations are often complex and competing which reflects the diversity of the Beneficiary group.

They are also sometime convenient to the case being made by the individual which is not unusual across organisations where allocation of limited resources is required. Adoption of well structured, transparent, consistent and honest consultation processes will be required with high levels of cooperation between the Trustee and Manager.

The call for higher levels of consultation on program design has been a recurring theme in the consultations with Beneficiaries associated with the Third Review of the Foundation and reported at **Section 4**.

The opportunity presenting from the comprehensive review of current programs and projects is the focus which can be applied to different factors such as:

- take up among Beneficiaries;
- relative value to the target group of Beneficiaries;
- value for money achieved in terms of service delivery costs compared to value delivered;
- consultation with Beneficiaries to allow the subtleties and targeting of the programs to be better understood by Beneficiaries who would be actively engaged in the process; and,
- the opportunity for alternative service delivery methods.

Any savings achieved from refinement and improved efficiency in delivery of programs and projects would release additional money to be applied to new program priorities identified in consultation with Beneficiaries. The consultation process would also create a forward plan for program development should funding permit in the future.

As a consequence, the requirements of sustainable budgeting would be addressed in the medium term. It is suggested that two to three financial years would be required to derive full benefit from a sustained review effort.

The Trustee strongly endorses the underlying “capacity building” principle embodied in the Trust Deed. The Trustee adheres to the view that the intent of the Trust Deed is for “capacity building” among the Beneficiaries directly rather than of the organisations making up the Foundation. In a practical sense the Trustee has reflected this commitment in measures such as:

- The methodology of direct Board engagement with Beneficiaries adopted for the consultation processes underpinning this Review.
- That methodology emphasised the exposure of Beneficiaries to the legal structure of the Foundation and their responsibilities within it to engage with processes rather than adopt a passive attitude.
- Governance training for Directors, focusing on the capability of Indigenous Directors of the Trustee and Manager Boards.
- Deliberate efforts to heighten the expectations of Beneficiaries regarding the governance standards that they can reasonably expect from the Foundation. This includes practical measures such as increased transparency and communication through the publication of annual reports and the development of a website which provides extensive information of the Trust and its fundamental settings (www.gumalatrust.com).
- Strategic engagement with Elders from all language groups through the Traditional Owner Elders Advisory Committee as a central element of the Review of the Register of Traditional Owners.

As part of the review of programs and services proposed above, the Trustee considers that a central feature should be a deliberate consideration of the best methods for delivery of any existing or future offerings. As reported above and as part of the outcomes of the Review of Programs and Financial Management and Sustainability, an assessment of the information technology requirements of the Foundation is being sponsored by the Trustee.

In large part this is intended to enhance the capacity of IT for the delivery and monitoring/measurement of the efficiency and effectiveness of services delivered. Discussion regarding the sourcing of alternative revenue for delivery of the Foundations objectives is closely related to this theme.



THIRD REVIEW OF FOUNDATION: RECOMMENDATIONS

Recommendation 1: (Refer Section 4)

That the Trust Deed be varied to increase the Health and Wellbeing Income Utilisation Category to 15% of Available Income and that the Business Development Income Utilisation Category be reduced to 5% of Available Income to allow for that increase.

Recommendation 2: (Refer Section 4)

That the Trust Deed be amended by insertion of a new *Sub Clause 16.4.2(A)* to permit provision of Notice of General Meetings by email to the email address provided by an adult Beneficiary.

Recommendation 3: (Refer Section 4 & 5)

That the Trustee and the Manager, in consultation with Beneficiaries, develop a Strategic Plan for the General Gumala Foundation which provides clear direction; is committed to by the Trustee and Manager; and, contains the following elements:

- 3(a) Measurable outcomes of what is to be achieved for Beneficiaries with clear responsibility for their delivery.
- 3(b) Financial sustainability, including but not limited to, the GGF rolling budget and funding agreement; investment/accumulation of a Future Fund; agreed caps on operational and administrative costs; and, agreed benchmarks for the costs of delivery of benefits to Beneficiaries.
- 3(c) Sustainability of delivery of benefits to Beneficiaries, including but not limited to, the application of information and communication technology and alternative benefit delivery methods and, seeking alternative resources to those available from the Foundation to achieve increased outcomes for Beneficiaries.
- 3(d) Completion of the strategic plan within a realistic timeframe to allow its implementation to be evaluated as part of the Fourth Review of the Foundation.

Recommendation 4: (Refer Section 5 & Section 2E)

That the Strategic Plan outlined in **Recommendation 3** should be substantially progressed to permit the evaluation of the merits of any structural changes to the Trust Deed and to inform any further expenditure of Foundation funds on any such changes.

Recommendation 5: (Refer Section 5)

That the measures implemented by the Trustee to build capacity in respect of decision making and to build understanding by Beneficiaries of the governance of the Foundation be maintained.

Recommendation 6: (Refer Sections 2C and 5C)

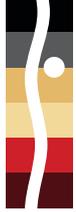
That the Manager consider changes to the GAC Rule Book regarding membership rules and arrangements to mirror those applying to Beneficiary status under the GGF Trust Deed.

Recommendation 7: (Refer Section 4)

That the Manager consider the employment of Traditional Owner language speakers as part of its delivery of benefits to Beneficiaries.

Recommendation 8: (Refer Sections 2 & 5)

That the provisions of *Clause 9* of the Trust Deed (Consultation with Liaison Committee) be observed.



SCHEDULE 14 - TRADITIONAL OWNERS

Charlie Smith	Elizabeth Dowden	Lorraine Injie
Roy Tommy	Jennifer Dowden	Colleen Fisher
Doris Limerick	Eileen Parker	Jumbo Giggles
Darren Injie	Angus Smith	Julie Tommy
Ned Dhu	Gloria Smith	Lola Young
Helen Smith	Amy Smith	Colin Cook
Dawn Hicks	Des Smith	Kevin Gilba
Ronnie Mills	Marshall Smith	Brian Gilba
Trevor Dhu	Camis Smith	Aquinas Gilba
Peter Dershaw	Eva Connors	Doreen James
Tim Parker	Jessie Bardidi	Patsie James
Bonny Tucker	Gladys Walker	Roma Butcher
Susanne Parker	Henry Long	Adrian Condon
Slim Parker	Patrick Long	Lisa Condon
Guy Parker	Adam Stock	Nellie Jones
Margaret Parker	Bobina Stock	Churchill Jones
Winston Parker	Anna Stock	Leerie Delaporte
Dawn Parker	Joan Stock	Thomas Cox
Johnny Parker	Richard Yuline	Gilbert Cox
Rhonda Parker	Hilda Yuline	Miru George
Cecil Parker	Rodney Yuline	Vernon Hyland
Rodney Parker	Irene Yuline	Norman Hyland
Charmaine Parker	John Yuline	Nicholas Limerick
Peter Parker	Margaret Yuline	Tadji Limerick
Maitland Parker	Douglas Yuline	Diane Limerick
Mabaleen Parker	Cheryl Yuline	Joseph Limerick
Victor Parker	Lindsay Yuline	Peter Limerick
Eric Parker	Timmy Yuline	Donald Limerick
Natelli Parker	Peter Flann	Ruth Limerick
Rex Parker	Horace Nelson	Mathew Limerick
Thelma Parker	Kevin Nelson	Gloria Lyndon
Rachael Parker	Junior Nelson	Tim Lyndon
May Hubert	Leslie Nelson	Janita Lyndon
Gordon Ponteroy	Julie Nelson	
Charlie Coffin	Stuart Injie	

SCHEDULE 18 - REGISTERED CLAIMANTS

The Registered Claimants in WC 96/61 are:

1. Dulcie Condon
2. David Cox
3. Joyce Inji
4. Listen James
5. Chubby Jones
6. Wobby Parker
7. Horace Parker
8. Mabel Paterson
9. Naydene Robinson
10. Alice Smith
11. David Stock
12. Brian Tucker
13. Gordon Yuline

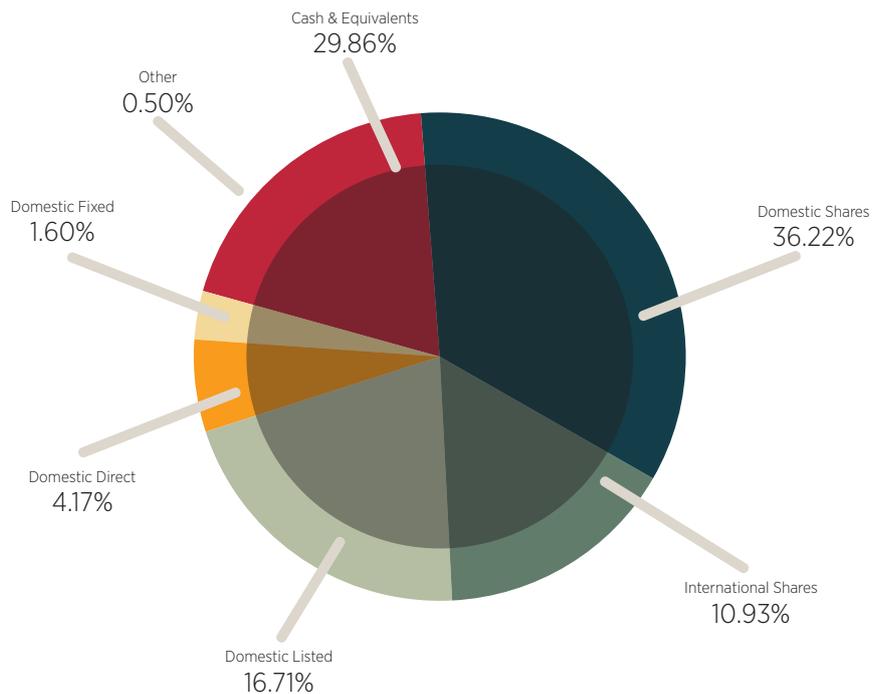


Summary of Investments 2011

Gumala Foundation - Summary of Investments at 30 June 2011

Asset Class	MSSB \$	Direct \$	Total \$	Actual %	Target %	Target \$
<i>Growth Assets</i>						
Australian Shares	19,144,808	-	19,144,808	36.22	45.00	23,788,268
International Shares	5,779,768	-	5,779,768	10.93	12.50	6,607,852
Direct/Unlisted Property	-	8,835,120	8,835,120	16.71	20.00	10,572,564
Listed Property	2,206,821	-	2,206,821	4.17	5.00	2,643,141
	27,131,397	8,835,120	35,966,517	68.04	82.50	43,611,825
<i>Defensive Assets</i>						
Australian Fixed Income	844,157	-	844,157	1.60	7.50	3,964,711
Other	266,719	-	266,719	0.50	5.00	2,643,141
Cash & Cash Equivalents	452,645	15,332,781	15,785,426	29.86	5.00	2,643,141
	1,563,521	15,332,781	16,896,302	31.96	17.50	9,250,993
	28,694,917	24,167,901	52,862,818	100	100	52,862,818

Gumara Foundation Investments: Current Asset Allocation





Gumala Foundation
Statement of Comprehensive Income for the Year ended 30 June 2011

	2011	2010
Note	\$	\$
Income		
Land Use Funds	26,957,981	21,283,072
Interest Income	1,421,661	1,020,258
Dividends & Distributions	1,173,344	286,345
Rent Received	218,400	382,200
Investment Gains (Losses)	(3,417)	20,764
Profit (Loss) on Sale of Assets	-	0
Other Income	-	634
	29,767,1969	22,993,273
Expenditure		
Trustee Operating Costs		
Accountancy Fees	72,000	18,000
Auditors	43,750	70,754
AGM Support	0	0
Bank Charges	336	311
Cleaning	2,890	1,070
Computer Software & Maintenance	5,484	6,661
Conferences & Seminars	3,696	84
Consultants	25,586	907
Depreciation - Office Furniture & Equipment	6,425	8,341
Depreciation - Buildings	141,083	144,701
Due Diligence Fees	128,431	0
Entertainment	736	873
Expensed Equipment	1,475	0
Filing Fees	218	212
Hire of Equipment	260	0
Insurance	16,863	29,999
Investment Administration	71,206	33,265
Impairment of Loans	-	139,515

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Comprehensive Income for the Year ended 30 June 2011

		2011	2010
	Note	\$	\$
Legal Fees		308,958	175,520
Postage and Delivery		772	399
Printing and Stationery		42,217	16,725
Recruitment		10,231	-
Rent & Outgoings		16,353	20,094
Rental Property Expenses		25,127	83,530
Repairs & Maintenance		6,726	-
Salaries- Directors		286,096	232,750
Salaries- Other		87,176	276,161
ETP expenses		102,119	-
Staff Bonuses		28,843	2,414
Superannuation - Directors		-	20,947
Superannuation - Other		6,923	23,002
Staff Amenities		-	1,008
Subscriptions		423	400
Sundries		6,844	4,203
Telephone & Internet		9,014	10,234
Travel and Accommodation		202,629	66,876
Utilities		4,912	818
	3	1,665,802	1,379,774

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Comprehensive Income for the Year ended 30 June 2011

	2011	2010
Note	\$	\$
Manager Operating Costs	2,900,000	3,235,965
General Meeting Costs		
Sitting Fees	1,904,274	588,036
Other	503,285	-
	2,407,559	588,036
Total Trustee, Manager and Meeting Expenses	6,973,361	5,203,775
Net Income	22,794,608	17,789,498
Member Benefits Grant Funding		
Education & Training	2,281,311	1,075,120
Business Development	1,017,169	423,058
Community Development	1,577,361	709,113
Cultural Purposes	2,742,725	1,279,83
Health & Wellbeing	4,423,558	2,299,315
Other Grant Funding	1,092,448	351,706
	13,134,572	6,138,193
Retained for Member Benefits and Investments	9,660,036	11,651.305
Other Comprehensive Income	-	-
Total Comprehensive Income	91,660,036	11,651.305

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Financial Position as at 30 June 2011

		2011	2010
	Note	\$	\$
Trust Funds			
Accumulated Member Funds	15	61,816,201	52,156,165
Total Trust Funds		61,816,201	52,156,165
Current Assets			
Cash and Cash Equivalents	5	5,340,461	17,380,110
Other Term Deposits	5	9,992,320	8,346,019
Trade and Other Receivables	6	4,602,530	2,901,457
Accrued Income	6	8,075,362	7,363,552
Deposits on land and building	6	-	-
Taxes Recoverable	8	139,699	74,369
Total Current Assets		28,150,372	36,065,507
Non Current Assets			
Other Loans	6	589,783	684,319
Rental Properties	12	5,736,790	5,874,209
Land & Buildings	13	1,675,603	318,543
Office Furniture & Equipment	13	20,216	25,460
Prepayment	14	1,422,727	270,600
Investments	7	28,694,917	9,333,138
Total Non Current Assets		38,140,036	16,506,269
Total Assests		66,290,408	52,571,776
Current Liabilities			
Trade and Other Payables	9	4,716,816	242,405
Tax Liabilities	8	(248,426)	145,775
Financial Liabilities	10	5,817	7,354
Provisions	11	0	20,077
Total Current Liabilities		4 474 207	415,611
Total Liabilities		4,474,207	415,611
Net Assets		61,816.201	52,156,165

The accompanying notes form part of these financial statements

Gumala Foundation
Notes to the Financial Statements for the Year Ended 30 June 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trust is not a reporting entity because in the opinion of the trustee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the trustee's reporting requirements under the trust deed.

The financial report has been prepared so as to comply with the Trust Deed to provide information required by members and on the basis of recognition and measurement requirements specified by all accounting standards and interpretations except for AASB 139 Financial Instruments and AASB 140 Investment Property. Accounting standards include Australian equivalents to international financial reporting standards ("A-IFRSs)

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report:

(a) Revenue recognition

Revenue is recognised when the Trust's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably).

Interest revenue is recognised when it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Property, Plant, Equipment and Investment properties

Property, plant and equipment are carried at cost, independent or trustee's valuation. All assets, excluding freehold land, are depreciated over the useful lives of the assets.

Investment properties are reported at cost less any impairment.

(d) Financial Assets

Financial assets are reported at cost. Impairment is considered by the trustee each year with consideration reported in these notes. Impairment losses are only recognised where there is a permanent diminution in the investment value

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Grants paid in advance

Grants paid in advance to other entities are recognised in the statement of financial position upon payment, until such time as the terms and conditions of grant have been met by the other entity. Once the terms and conditions have been met by the other entity, this is then recognised within the profit and loss of the statement of comprehensive income.

(e) Financial Liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. The entity's financial liabilities have terms of less than twelve months.

Gumala Foundation**Notes to the Financial Statements (continued) for the Year Ended 30 June 2011**

	2011	2010
Note	\$	\$
2.Revenue		
Land Use Funds	26,957,981	21,283,072
Interest and Investment Income	2,595,005	1,306,603
Rent Received	218,400	3,821,200
	29,771,386	22,971,875

3.Expenses

Employee Benefits Expense	511,157	555,275
Depreciation, Amortisation and Impairment	147,508	292,557
Bank Charges	336	311
Insurance	16,863	29,999
Printing, Stationery & Office Supplies	42,217	16,725
Rent	41,480	20,094
Other Expenses	906,241	464,814
	1,665,802	1,379,775

4. Net Income

Net income from ordinary activities has been determined after accounting for:

Charging as Expense

Movement in Provisions

Employee Benefits	147,508	(13,149)
Depreciation	147,508	153,042
Impairment of Receivables	-	139,515
Net Expenses Resulting from Movement in Provisions	167,585	279,408

Gumala Foundation**Notes to the Financial Statements (continued) for the Year Ended 30 June 2011**

	2011	2010
Note	\$	\$
5. Cash, cash equivalents and Other Term Deposits		
Petty Cash	-	659
Bankwest General Account	3,341,225	5,243
Bankwest Loan Repayments Account	123,904	90,092
Bankwest Savings Account	833,742	7,861
Macquarie Bank Cash Management Trust	1,036,540	354,205
ANZ Cash Management Account	-	-
Bankwest 2644228	5,050	5,050
Term Deposits	9,992,320	16,917,000
	15,332,781	17,380,110
Term Deposits Detail		
Term deposits held with a maturity of greater than three months	9,992,320	8,346,019
6. Trade and Other Receivables		
Current		
Sundry Debtors	4,233	218,400
Rent Bond	14,761	14,075
Prepaid Expenses	26,801	422
Grants Paid in Advance	4,556,735	2,590,000
Business Loans	-	28,560
Council Deposit Held on Trust	-	50,000
	4,602,530	2,901,457
Accrued Income		
Land Use Income	7,308,953	7,308,952
Interest	85,700	-
Investment Income	462,309	-
Rental Income	218,400	54,600
	8,075,362	7,363,552
Deposits on Land and Buildings		
Deposit on South Hedland Land	-	270,600
Total Current Trade and Other Receivables	12,677,892	10,535,609

Gumala Foundation**Notes to the Financial Statements (continued) for the Year Ended 30 June 2011**

		2011	2010
	Note	\$	\$
6. Trade and Other Receivables			
Non Current			
Gumala Enterprises Trust		32,420,691	2,420,691
Unpaid Distributions		2,129,519	2,129,519
Loans		4,550,210	4,550,210
Provision for Impairment		(4,550,210)	(4,550,210)
		-	-
Other Loans		-	-
Business Loans		109,911	109,911
Less: Provision for Impairment		(109,911)	(109,911)
		-	-
GHOS Loans		589,783	684,319
		589,783	684,319
Total Non Current Trade and Other Receivables		589,783	684,319
		13,267,675	11,219,928
7. Other Financial Assets			
Non Current			
Shares and Managed Funds		28,694,917	9,333,138
8. Tax Assets and Liabilities			
Current Assets			
Franking Credits Recoverable		139,699	74,369
Current Liabilities			
PAYG Withholding		14,568	1,779
GST Payable		(262,994)	143,996
		(248,426)	145,775
9. Trade and Other Payables			
Current			
Trade Creditors		4,672,887	212,405
Accrued Creditors		38,750	30,000
Superannuation		5,179	-
		1,716,816	242,405

Gumala Foundation**Notes to the Financial Statements (continued) for the Year Ended 30 June 2011**

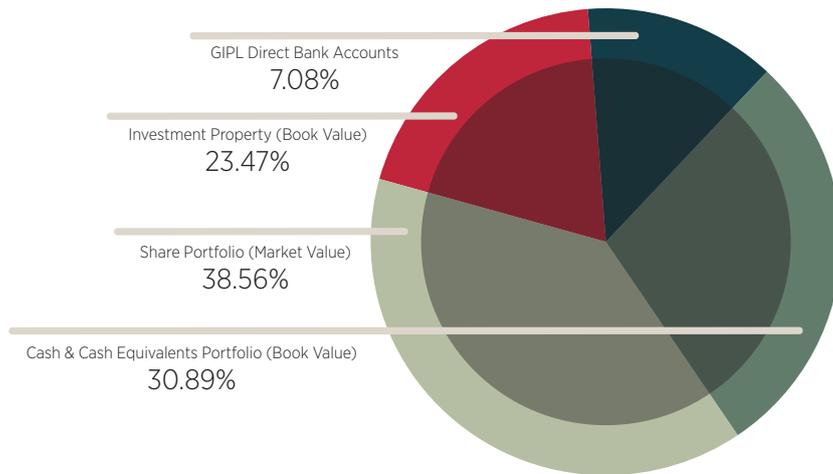
		2011	2010
	Note	\$	\$
10. Financial Liabilities			
Current			
Credit Card		5,817	7,354
11. Provisions			
Current			
Provision for Employee Entitlements		-	20,077
12. Investment Properties			
Tom Price Houses			
Land-at cost		377,438	377,438
Buildings-at cost		5,782,215	5,782,215
Accumulated Depreciation		(422,863)	(2,851,444)
		5,736,790	5,874,209
13. Property, Plant and Equipment			
Land and Buildings			
South Hedland Land Lots		1,360,724	-
Limpet Crescent		-	-
Land-at cost		165,000	165,000
Buildings-at cost		160,499	160,499
Accumulated Depreciation		(10,620)	(6,956)
		1,675,603	318,543
Office Furniture and Equipment			
At cost		44,602	43,421
Accumulated Depreciation		(24,386)	(17,961)
		20,216	25,460
14. Prepayment			
Tom Price Land Lots		1,422,727	-
15. Accumulated Member Funds			
Balance at the Beginning of the Year		52,156,165	40,504,860
Retained this Year		9,660,036	11,651,305
Closing Balance at the End of the Year		61,816,201	52,156,165
16. Commitments and Contingencies			
Operating Leases			
Falling due within 12 months		15,938	15,402
Falling due after 12 months		-	-
		15,938	15,402



Summary of Investments 2012

Gumala Foundation - Summary of Investments at 30 June 2012

Investment Class	Shares & Managed Funds	Property	Term Deposits	Bank Accounts	Total \$	Actual %
MSSB Investment Portfolio (Market Value)	\$25,799,699			\$1,825,456	27,625,456	38.56
M6 Treasury & Cash Equivalents Portfolio (Book Value)	-		\$22,131,991	-	22,131,991	30.89
Investment Property (Book Value)	-	\$16,818,349	-	-	16,818,349	23.47
GIPL Direct Bank Accounts	-		-	\$5,089,154	5,089,154	7.08
30 June 2012 Balances	\$25,799,699	\$16,818,349	\$22,131,991	\$6,984,911	6,894,911	100
30 June 2011 Balances	\$26,803,055	\$8,835,120	\$9,992,320	\$5,340,461	5,340,461	100

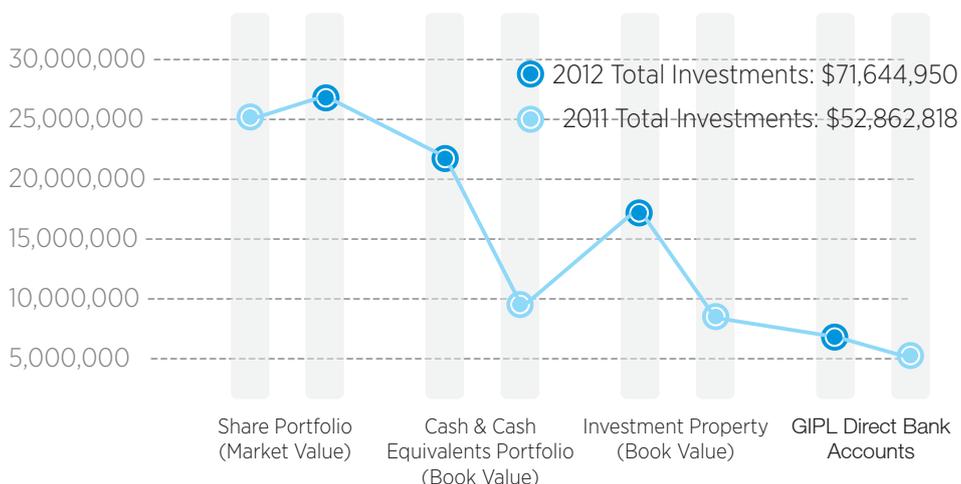


Book Value:

Value of investment assets recorded at purchase cost.

Market Value:

Value of investment assets revalued as at 30 June 2012.





Gumala Foundation
Statement of Comprehensive Income (for year ended 30 June 2012)

		2012	2011
	Note	\$	\$
Income			
Land Use Funds		34,010,905	26,957,981
Interest Income		1,364,283	1,421,661
Dividends & Distributions		1,378,113	1,173,344
Rent Received		118,748	218,400
Investment Gains (Losses)		(273,804)	(3,417)
Other Income		979	-
Unrealised Losses on Investments	7	(3,190,802)	-
		33,408,422	29,767,969
Expenditure			
Trustee Operating Costs			
Accountancy Fees		72,000	72,000
Auditors		58,334	43,750
AGM Support		-	-
Bank Charges		988	336
Cleaning		4,807	2,890
Contingency Fund Expense	16	4,652,865	-
Computer Software & Maintenance		14,190	5,484
Conferences & Seminars		56,920	3,696
Consultants		207,716	25,586
Depreciation - Office Furniture & Equipment		5,498	6,425
Depreciation - Buildings		139,327	141,083
Due Diligence Fees		499,799	128,431
Entertainment		425	736
Expensed Equipment		117	1,475
Filing Fees		296	218
Hire of Equipment		3,479	260
Insurance		42,323	16,863
Investment Administration		167,562	71,206

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Comprehensive Income (for year ended 30 June 2012)

		2012	2011
	Note	\$	\$
Legal Fees		381,144	308,958
Postage and Delivery		2,403	772
Printing and Stationery		25,110	42,217
Recruitment		76,954	10,231
Rent & Outgoings		18,957	16,353
Rental Property Expenses		64,750	25,127
Repairs & Maintenance		7,161	6,726
Salaries- Directors		284,539	286,096
Salaries- Other		42,171	87,176
ETP expenses		-	102,119
Superannuation - Directors		25,585	28,843
Superannuation - Other		3,389	6,923
Staff Amenities		1,483	-
Subscriptions		486	423
Sundries		3,638	6,844
Telephone & Internet		8,369	9,014
Travel and Accommodation		91,474	202,629
Utilities		7,069	4,912
	3	6,971,328	1,665,802

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Comprehensive Income (for year ended 30 June 2012)

	2012	2011
	\$	\$
Note		
Member Consultation Fees	284,561	
Printing & Postage	14,666	-
Manager Operating Costs	4,207,732	2,900,000
General Meeting Costs		
Sitting Fees	-	1,904,274
Other	-	503,285
	-	2,407,559
Total Trustee, Manager and Meeting Expenses	11,478,287	6,973,361
Net Income	21,930,135	22,794,608
Member Benefits Grant Funding		
Education & Training	2,040,068	2,281,311
Business Development	2,394,938	1,017,169
Community Development	3,257,404	1,577,361
Cultural Purposes	1,095,212	2,742,725
Health & Wellbeing	2,040,068	4,423,558
Other Grant Funding	653,668	1,092,448
	11,481,358	13,134,572
Retained for Member Benefits and Investments	10,448,777	9,660,036
Other Comprehensive Income		
Other Comprehensive Income	-	-
Total Comprehensive Income	10,448,777	9,660,036

The accompanying notes form part of these financial statements

Gumala Foundation
Statement of Financial Position (as at 30 June 2012)

		2012	2011
	Note	\$	\$
Trust Funds			
Accumulated Member Funds	15	72,264,978	61,816,201
Total Trust Funds		72,264,978	61,816,201
Current Assets			
Cash and Cash Equivalents	5	6,894,910	5,340,461
Other Term Deposits	5	22,131,992	9,992,320
Trade and Other Receivables	6	142,483	4,602,530
Accrued Income	6	4,187,030	8,075,362
Deposits on land and building	6	-	-
Taxes Recoverable	8	256,187	139,699
Total Current Assets		33,612,602	28,150,372
Non Current Assets			
Other Loans	6	560,328	589,783
Rental Properties	12	11,121,418	5,736,790
Land & Buildings	13	5,696,931	1,675,603
Office Furniture & Equipment	13	23,930	20,216
Prepayment	14	27,387	1,422,727
Investments	7	25,799,699	28,694,917
Total Non Current Assets		43,229,693	38,140,036
Total Assets		76,842,293	66,290,408
Current Liabilities			
Contingency Fund Liability	16	4,652,865	-
Trade and Other Payables	9	590,407	4,716,816
Tax Liabilities	8	(683,946)	(248,426)
Financial Liabilities	10	13,779	5,817
Provisions	11	4,210	0
Total Current Liabilities		4,577,315	4,474,207
Total Liabilities		4,577,315	4,474,207
Net Assets		72,264,978	61,816,201

The accompanying notes form part of these financial statements

Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trust is not a reporting entity because in the opinion of the trustee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the trustee's reporting requirements under the trust deed.

The financial report has been prepared so as to comply with the Trust Deed to provide information required by members and on the basis of recognition and measurement requirements specified by all accounting standards and interpretations except for AASB 139 Financial Instruments and AASB 140 Investment Property. Accounting standards include Australian equivalents to international financial reporting standards ("A-IFRSs")

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report:

[a] Revenue Recognition

Revenue is recognised when the Trust's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably).

Interest revenue is recognised when it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

[b] Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

[c] Property, Plant, Equipment and Investment Properties

Property, plant and equipment are carried at cost, independent or trustee's valuation. All assets, excluding freehold land, are depreciated over the useful lives of the assets. Investment properties are reported at cost less any impairment.

[d] Financial Assets

Financial assets are reported at cost. Impairment is considered by the trustee each year with consideration reported in these notes. Impairment losses are only recognised where there is a permanent diminution in the investment value

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Grants paid in advance

Grants paid in advance to other entities are recognised in the statement of financial position upon payment, until such time as the terms and conditions of grant have been met by the other entity. Once the terms and conditions have been met by the other entity, this is then recognised within the profit and loss of the statement of comprehensive income.

[e] Financial Liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. The entity's financial liabilities have terms of less than twelve months.

Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
2. Revenue		
Land Use Funds	34,010,905	26,957,981
Interest and Investment Income	2,742,396	2,595,005
Rent Received	118,748	218,400
Unrealised Losses on Investments	(3,190,802)	
	33,408,422	29,771,386
3. Expenses		
Contingency Fund Expense	4,652,865	
Employee Benefits Expense	355,683	511,157
Depreciation, Amortisation and Impairment	144,825	147,508
Bank Charges	988	336
Insurance	42,323	16,863
Printing, Stationery & Office Supplies	25,110	42,217
Rent	83,706	41,480
Other Expenses	1,665,827	906,241
	6,971,328	1,665,802

4. Net Income

Net income from ordinary activities has been determined after accounting for:

Charging as Expense

Movement in Provisions		
Employee Benefits	(4,210)	20,077
Depreciation	144,825	147,508
Net Expenses Resulting from Movement in Provisions	140,615	167,585

Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
5. Cash, cash equivalents and Other Term Deposits		
Petty Cash	-	-
Bankwest General Account	887,103	3,341,225
Bankwest Loan Repayments Account	56,047	123,904
Bankwest Savings Account	60,811	833,742
Macquarie Bank Cash Management Trust	1,825,757	1,036,540
Bankwest 2644228	5,030	5,050
Westpac Loan Repayments Account	554	-
Westpac Cheque Account	3,542,710	-
ME Business Investment Account	516,899	-
Term Deposits	22,131,991	9,992,320
	29,026,902	15,332,781

Term Deposits Detail

Term deposits held with a maturity of greater than three months	22,131,991	9,992,320
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6. Trade and Other Receivables

Current

Accounts Receivable	124,800	-
Sundry Debtors	2,247	4,233
Rent Bond	15,436	14,761
Prepaid Expenses	-	26,801
Grants Paid in Advance	-	4,556,735
	142,483	4,602,530

Accrued Income

Land Use Income	3,602,066	7,308,953
Interest	262,268	85,700
Investment Income	166,696	462,309
Rental Income	156,000	218,400
	4,187,030	8,075,362

Total Current Trade and Other Receivables	4,329,513	12,677,892
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Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
6. Trade and Other Receivables		
Non Current		
Gumala Enterprises Trust		
Unpaid Distributions	2,420,691	2,420,691
Loans	1,581,785	2,129,519
	4,002,476	4,550,210
Provision for Impairment	(4,002,476)	(4,550,210)
	-	-
Other Loans		
Business Loans	109,911	109,911
Less: Provision for Impairment	(109,911)	(109,911)
	-	-
GHOS Loans	560,328	589,783
	560,328	589,783
Total Non Current Trade and Other Receivables	560,328	589,783
	4,889,841	13,267,675

7. Other Financial Assets

Non Current

Shares and Managed Funds	25,799,699	28,694,917
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Investments in shares and managed funds are carried at market value for the 2012 financial year. The trustee has considered the term over which the investments are held and considered there had been a permanent diminution in the previous two financial years.

The market value of the investments as at 2011 was \$26,803,055.

8. Tax Assets and Liabilities

Current Assets

Franking Credits Recoverable	256,187	139,699
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Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
8. Tax Assets and Liabilities		
Current Liabilities		
PAYG Withholding	19,781	14,568
GST Payable	(703,728)	(262,994)
	(683,947)	(248,426)
9. Trade and Other Payables		
Current		
Trade Creditors	539,082	4,672,887
Accrued Creditors	34,000	38,750
Superannuation	12,347	5,179
Salary Sacrifice Liability	4,978	-
	590,407	4,716,816
10. Financial Liabilities		
Current		
Credit Card	13,779	5,817
11. Provisions		
Current		
Provision for Employee Entitlements	4,210	-
12. Investment Properties		
Tom Price Houses		
Land-at cost	377,438	377,438
Buildings-at cost	5,782,215	5,782,215
Accumulated Depreciation	(557,214)	(422,863)

Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
12. Investment Properties		
165 Adelaide Tce – Ground Floor	2,498,803	-
165 Adelaide Tce – Level 2	2,534,678	-
Capital Fitout	486,873	-
Accumulated Depreciation	(1,375)	-
	11,121,418	5,736,790
13. Property, Plant and Equipment		
Land and Buildings		
165 Adelaide Tce - Level 1	2,536,303	-
South Hedland Land Lots	1,360,724	1,360,724
Tom Price Land Lots	1,470,227	-
Limpet Crescent		
Land-at cost	165,000	165,000
Buildings-at cost	160,499	160,499
Renovations	18,399	-
Accumulated Depreciation	(14,221)	(10,620)
	5,696,931	1,675,603
Office Furniture and Equipment		
At cost	53,814	44,602
Accumulated Depreciation	(29,884)	(24,386)
	23,930	20,216
14. Prepayment		
Prepayments	27,387	1,422,727
15. Accumulated Member Funds		
Balance at the Beginning of the Year	61,816,201	52,156,165
Retained this Year	10,448,777	9,660,036
Closing Balance at the End of the Year	72,264,978	61,816,201

Gumala Foundation
Notes to the Financial Statements (year ended 30 June 2012)

	2012	2011
	\$	\$
16. Commitments and Contingencies		
Operating Leases		
Falling due within 12 months	-	15,938
Falling due after 12 months	-	-
	-	15,938
Contingency Fund Liability	4,652,865	-

During the year the directors of the Trustee Company have recognised a contingent fund liability amount of \$4,652,865 to Gumala Aboriginal Corporation. Of this amount, \$2,831,999 related to budgeted revenues owing to the Gumala Aboriginal Corporation as part of the Yandi Land Use Agreement.

The remaining amount of \$1,820,866 relates to un-acquitted funds for the 3rd Quarter Funding in the 2011-12 financial year.

17. Payments to Directors

During the year the directors of the Trustee Company received the following payments for their services as directors and, where applicable, employees and/ or consultants.

Name	Appointed (If during year)	Resigned (If during year)	\$
Stewart John Drage		16/02/2012	23,821
Juliette Pearce - Tucker			39,166
Kenneth Inge, Snr			48,166
George Robert Teasdale			28,958
Graham Anderson	12/07/2011	31/08/2011	5,124
Edith Hall	21/02/2012		14,252
Michael Bonney	11/07/2011		50,631
Dianne Guise			74,416
			284,534



Karijini National Park Western Australia



Karriji National Park Western Australia



Karijini National Park Western Australia



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